

BRUNSWICK REVIEW

A JOURNAL OF COMMUNICATIONS AND CORPORATE RELATIONS ISSUE 21 2021

The LEADERSHIP Issue



BOB IGER
Ride of a Lifetime

GEORGIA DAWSON
On Her Historic Election

DAVID RUBENSTEIN
How to Lead

KENJI YOSHINO
Ally to All

PLUS

Former United Airlines CEO
OSCAR MUNOZ

McDonald's Chairman
ENRIQUE HERNANDEZ JR.

ANGELA MERKEL'S
Legacy

LEONARD LAUDER
On Saying Yes

BRUNSWICK

Brunswick is a critical issues firm.

We advise the world's leading companies on how to navigate the critical issues they face and engage with their critical stakeholders.

Our purpose is to help our clients play their role in the world more successfully. We help the leaders of the world's great value-creating organizations operate successfully across the increasingly complex and fast-changing arenas of finance, politics and society at large.

To download and share *Brunswick Review* stories go to www.brunswickgroup.com/review

You can follow us on Twitter
[@BrunswickGroup](https://twitter.com/BrunswickGroup)

Highlights from this and previous issues are also available on LinkedIn

EDITOR IN CHIEF Kevin Helliker
MANAGING EDITOR Carlton Wilkinson
CREATIVE DIRECTOR Frank Tagariello
SENIOR WRITER, SENIOR EDITOR Edward Stephens
PROJECT MANAGER Caitlin Koons
EDITORIAL ADVISOR Vanessa Quarrie
PRINT PRODUCTION Christopher Langlois
PRINTED BY Empress
COVER ILLUSTRATION Craig Frazier
FEEDBACK feedbackreview@brunswickgroup.com



The *Brunswick Review* is printed on Revive 100% recycled, made using post-consumer waste fibers and manufactured without the use of any secondary bleaching.

Copyright © Brunswick Group LLP 2021

THE MANAGEMENT GURU PETER DRUCKER SAID

mankind's greatest technological revolution was irrigation, 7,000 years ago, because it led the way to the civilisation of cities along with specialisation of labour that is still the foundation of how we live. He also believed that technological revolutions bring on great political and social changes. They don't just create them but almost force them into existence.

It feels as if we are in such revolutionary times, like the industrial age or the railway age, both driven by tech jumps. Our age is defined by the technology of connectivity. While it probably began with the invention of the telephone, global connectivity in its current form came to life less than 40 years ago with the creation of the internet. The Duke of Wellington was concerned that railway technology would have a serious social impact because it would "connect the discontented masses." Imagine what he would feel about WhatsApp, Weibo, Instagram or the coming metaspaces.

Technology transformations seem to accelerate. Orville and Wilbur Wright, and their team of bicycle enthusiasts, got up the first powered flight in 1903. Thirty years later we still had biplanes. Thirty-some years on and we had Apollo 11. Now we are flying helicopters on Mars. It seems pretty clear though that in the age of connected technology we are only a few decades in.

The power of our new tech has already shown us that, as William Blake said, "What is now proved was once only imagined." Mr. Musk and Co. epitomise that thought—but we must surely be ready for an enormous amount more happening even faster and, importantly, we now see more and more of those political and social changes coming.

These are the challenges for which leadership has to be ready. In a few short years we have felt the seismic shift from purely shareholder to stakeholder capitalism and everything that is beginning to bring. With the new technology powers so widely distributed in the world and the energy behind so many challenging issues, I believe there is nothing short of a revolution coming for leadership in business.

GAME CHANGERS

The technology drivers of the coming revolution are already ubiquitous in our lives. Information sharing, in every form, and data processing, in every form, are two of the meta game changers in the world. They not only bring change, they enable the acceleration of it and the societal and political impacts Drucker described.

The business of sharing data for people everywhere leapt forward in 2007 when the iPhone put smartphone technology in everyone's hands. It powered up the likes of Facebook, which had launched only three years before, and once it went mobile, social

media began its development as a truly global activity. Fifteen years later these two companies combined are worth over \$3.7 trillion. So we can quantify their value and user numbers, but it is much more difficult to quantify societal and political impact or to predict how these breakthroughs will continue to impact the role of business and therefore leadership.

Social media has not only changed where conversations are taking place and who has a voice in them, it has changed the dynamic of conversations. The energy with which views are expressed—with a vehemence at the extremes that appears to dominate the public sphere—has changed the nature of conversations, not just their content.

There is no longer a singular public opinion, but a galaxy of views, beliefs, opinions and facts that surface and swirl on every topic. They may be billions of individual dots but the way we are all connected to single events live, as they happen, intensifies and amplifies those feelings through the echo chambers of modern media. Almost as it happens billions of people all see the baby lifted over the barbed wire of the Kabul airport and feel the emotion of that. So it is not just sharing information or data, it is creating kinetic waves of emotion that washes up all over the world, changing our social landscapes.

The connectivity of people and ideas is directly connected to the second transformative power—the business of capturing data and using analytics at scale. The sheer volume of data that can be captured is multiplying by the billions in the internet of things.

It is arguable that virtually every business is a data business. Certainly, every part of business activity is informed and changed by data and analytics. The amount of data shared and the transparency it creates on so many issues is changing the process of decision making. Whether it be climate change or inequality, the data is transformative, and more and more is available more widely all the time.

For many businesses this has coalesced around demand for the evolving ESG metrics. As a revolution it is interesting because it is not just bottom-up; there are pitchforks in the hands of the aristocrats as well. Asset owners are pushing asset managers to be, at minimum, more cognisant of the externalities of their investments. ESG is still fundamentally a set of risk metrics for investors—but they are being used by investors to push for and permit change in corporate behaviour. And the money is already moving fast. In the space of a single quarter—from Q4 2020 to Q1 2021—the value of assets under management committed to achieving net zero jumped from \$9 trillion to \$32 trillion.

This is just the start. The next generation of data will enable a much fuller and more detailed analysis of any organisation's total

The Coming Revolution

external impacts. This will influence fund managers' decision-making even more significantly.

THE ACCELERANT

Leadership has adapted to these changes in a manageable way over the last decade. Then COVID became a massive accelerant.

Throughout the pandemic we have seen so many deep societal issues surfacing and with increasing intensity. All over the world people are finding their voice and amplifying it through new media. There is a long list of critical and sometimes painful issues on which demands for change are growing stronger.

In some cases, we have seen a call so strong it aims to bring down the current system because it seems as though it is failing too many people on too many issues and incremental action is not enough. Capitol Hill, Belarus, BLM, CO2, gender ... it is a long list. The issues and places may be different, but it is as if the light shone on a familiar scene has changed. So many things are now, or are becoming, quite simply unacceptable.

The pressure is growing partly because of the massive growth in data bringing them to life and partly because it is being shared so effectively with individuals and communities that will mobilise to deliver change. The perceived failure to deliver progress creates a bottleneck of pressure that is concentrating energy even more.

For businesses, these new dynamics impact all stakeholder groups. Many institutions, as well as even regulators and politicians, are becoming more animated or activist. Every stakeholder group is seeking to define itself more powerfully by taking a stand on a much wider range of issues.

For leadership, it has now become essential to be clear on your corporate position. But the new demand is not just a point of view about what you want to say; it is for action, which is a big change in itself.

The above speaks to the social revolution, but what of the impact on politics?

Sadly, politics has been woefully ineffective in dealing with so many of these major problems. So an erosion of public trust that started decades ago continues to grow.

Politicians are seen not to have delivered solutions on climate change or the environment, on the huge inequalities of race or gender. Amid the pandemic few politicians or administrations have been seen as successful; instead they have looked overwhelmed, bungling or outright dangerous.

Historically, these pressures for societal change remained in the political arena and rarely crossed into the business world. In many ways business was happy to stay in a different world and politicians, for their part, could blame them from afar.

Who will the world turn to for solutions?

NO LONGER ON THE SIDELINES

The focus is naturally turning to the people who are seen to have vast resources and great competence to deliver. Business was already being more directly linked to the major societal issues because of the world's increasing ability to better understand and

measure their externalities. Just as businesses are seen to have played a role in creating the issues we all face, now they are increasingly also seen as a potential part of the solution. It is businesses that have created the lifesaving vaccines, it is businesses that have kept food stores open, and delivered goods and services to our houses and screens. The ratings for business and business leaders have gone up for the first time in decades.

It isn't just that business has shown during the lockdown that it can cope effectively with sudden and dramatic change. It seems that business people are the ones actually bringing so many of these changes into our lives. They are doing the unimaginable. It may well be in partnership with academia or it may well be partly funded by government, as Apple was originally. But business is most likely to create the new greener energy. It will create new jobs in new industries, the next set of wonder drugs to deal with cancer and Alzheimer's. So it can create change through transformational applications of new technologies but it can also create significant social change just through its way of doing business.

All of us know that virtually any company can create some degree of greater diversity and inclusion if it really commits to it. We can all lighten our carbon footprint even if only a few of us can create a greener energy. We can improve the communities we work in and through our supply chains the quality of life for the people around the world we rely on to make our products. We can create jobs to lift women out of oppression and children out of poverty. We can create the wealth and taxes to fund health, education and our security.

Recognising that business is ceasing to be a separate and purely financially driven exercise in our societies is a big jump forward. So many companies we work with are now past the phase of mitigating or handling the impact of these changes; they are seeing the opportunities in this era of transformation.

Much of this shift has started quite recently but already Milton Friedman's free enterprise philosophy looks quite outdated in a world of cataclysmic climate change, growing inequality and nationalism re-emerging. There seems no doubt that the new order of stakeholder capitalism is here to stay.

This plays out in very different ways in different parts of the world. European capitalism is still different from UK, American or Asian capitalism, and now the new Chinese capitalism is a major factor in all our lives. All of which now has to be factored in and all of which keeps moving.

In a number of markets, we are already seeing a response to the scale of business and its social influence. In the tech sector the politicians and regulators are clearly challenging the major platforms, not just on their market dominance but their role in being the guardians of the internet, a role the regulators clearly feel that they should play. In the same way, we are seeing increasing legislation on producer responsibilities, so self-regulation and neo-liberal views of Friedrich Hayek are clearly on the wane. So business is now also seeing the arc of popular sentiment playing out in the increasing activism of its staff, its regulators and the whole raft of its stakeholders.

AS A REVOLUTION
IT IS INTERESTING
BECAUSE IT IS NOT
JUST BOTTOM-UP;
THERE ARE
PITCHFORKS IN
THE HANDS OF
THE ARISTOCRATS.

SIR ALAN PARKER

CHAIRMAN,
BRUNSWICK GROUP



STEPPING UP

Leadership has always needed to see what customers, suppliers or investors see or even feel. It is a new thought that a CEO has to not only understand but empathise with an NGO's, an employee's or a regulator's point of view. We now see leadership having to process all these different, and often conflicting, views into their decisions in order to carry the necessary support of their stakeholders.

The shift to being required to take a position on issues outside of your organisation is dramatically different. These are usually topics with a lot of passion around them, from BLM and gender, dreamers to human rights, and more. To speak out and take a position has to be rigorously thought through, as it will invite challenge and must be robust enough to withstand it.

However, if speaking on such hot societal issues is a big change, the game has moved further, accelerated by COVID. What is now called for is not just vocal support but credible action that will make a difference, not just in your organisation but in the wider world. You may be part of the wider problem, but can you actively be part of the wider solution?

So the call has moved beyond individual company change, to

addressing broader issues in society and, in many cases, systemic change. The actions of many leading companies are showing what is possible.

Business has visibly risen to many challenges; through the pandemic we have seen how agile and effective corporate engagement can be. It has responded on many fronts with inspiring examples of creativity and positive action. We are seeing that business, at its best, is one of the greatest forces for progress on the planet. But we have to be at our best to meet today's challenges. In many cases this means urgent action. The call for climate action is no longer about *setting out plans* for 2030, it is about what can you *do* by 2030.

Peter Drucker pictured a well-educated Sumerian, who had worked on those transformative irrigation canals, looking at where we are now and saying to us, "A time such as was mine and such as is yours, a time of true technological revolution, is not a time for exultation. It is not a time for despair either. It is a time for work and for responsibility."

There are some very testing times ahead for all companies' leadership. The biggest shift is still to come. This repositioning of business and its role in society is a coming revolution. ♦



46

REBEL QUEEN

Regina Merson thought the pandemic spelled doom for her Latina cosmetics startup. In the end, she had her highest sales ever.

16

NEAL WOLIN

Brunswick's CEO, US Deputy Treasury Secretary under President Obama, talks leadership with Philip Delves Broughton.

25

BEAUTY BUILDER

Leonard Lauder on his new memoir and long career as head of Estée Lauder.

28

MCDONALD'S CHAIRMAN

Enrique Hernandez Jr. talks to the Review about the responsibilities of board membership.

32

HOW TO LEAD

TV host, private equity pioneer and author David Rubenstein shares his first-hand perspective.

40

OSCAR MUNOZ

Former CEO and Chairman of United Airlines describes hard-won lessons.



32

ALLY TO ALL

Nicole Reboe talks to anti-discrimination expert Kenji Yoshino about recognizing privilege and using it to help others.

RAISING THE BAR

Georgia Dawson, the first female Senior Partner of Freshfields Bruckhaus Deringer, one of London's "Magic Circle" firms, talks to *Brunswick Review*.

THE GOOD GUYS

The founders of private investment firm Vistria Group, friends of President Obama, find value at the intersection of profit and purpose.

ANGELA MERKEL'S EXIT

Former journalist Carl Hohenthal recalls the politician he has known since long before her 16 years as Germany's Chancellor.

58

66

74

88



88

9	SPOTLIGHT
	<p>9 DISRUPTING LIKE MCENROE</p> <p>10 SOUTH AFRICA'S leadership lesson.</p> <p>12 KEW GARDENS emphasizes current science as well as historic beauty.</p> <p>13 DIGITAL INVESTOR SURVEY <i>Extended versions online.</i></p>
8	QUOTES FROM LEADERS
15	ABOUT THE ISSUE By Editor in Chief Kevin Helliker.
20	BOB IGER Disney's Executive Chairman and former CEO talks to Sir Alan Parker about his book and his career.
37	WINNING CULTURE How rugby's Exeter Chiefs went from plucky underdogs to a championship.
51	WORKER FOCUS The CEO of human-capital solutions provider Alight argues that employee well-being is crucial to the bottom line.
54	PHILOSOPHER CEO Simon Rogerson, founder of financial services firm Octopus, emphasizes behavior over performance. He talks to Brunswick's Susan Gilchrist.
63	TEACHERS' LEGACY The CEO of GEMS Education, the world's largest K-12 provider, on his family's 60-year mission.
70	SENDING LOVE Western Union's CEO Hikmet Ersek says the firm's mission is personal: connecting people with their loved ones.
77	MISINFORMATION When your company is a victim, leaders need to act, says Craig Mullaney.
78	TECH VISIONARY Julian Teicke, founder of Berlin-based insurtech wefox, is a serial entrepreneur reimagining business's role in society.
82	ESG IN THE BOARDROOM Academic researcher Tensie Whelan finds a distinct lack of expertise.
86	STRAW MAN An entrepreneur's quest to lessen the global problem of plastic pollution.



11



20



58



122

PUBLIC AFFAIRS 88

GREEN NEW DEAL 93
Suez CEO Bertrand Camus on his support for the EU environmental package. With Brunswick's Pascal Lamy.

JAPAN INC. 97
Two experts sit with *Brunswick Review* to swap stories on Japan's changing cross-border M&A practice.

ENVIRONMENT BARON 100
Now head of the UK's Committee on Climate Change, Lord Deben has long been at the vanguard of climate policy.

COVID PROPHET 104
Largely ignored at first, the measures Alex Tabarrok advocated have since proven effective at slowing the virus.

BRUNSWICK ARTS 20TH 106

BRUNSWICK ARTS 106
The legacy of Brunswick Arts' founder, Helen Scott Lidgett, colors its future, says Managing Partner Peter Dillon.

THE ARTIST AS LEADER 108
Society needs the arts "100% at the table," says Yerba Buena Center for the Arts' CEO Deborah Cullinan.

MUSEUM PIECE 112
Once rejected by institutions, Smartify's cellphone app is transforming the visitor experience.

WIDE ANGLE 115

ULTIMATE FIGHTER 115
Her epic journey climaxed in possibly the greatest mixed martial arts fight in history.

IRON HAMMER 116
A Chinese volleyball star's long career continues to inspire women on three continents.

A NEW TEMPO 118
At London's Southbank Centre, Toks Dada says "monolithic" habits of classical music must change.

OBAMA'S HEMINGWAY 122
Cody Keenan shares secrets of speechwriting from his eight years in the White House administration of President Barack Obama.

CRITICAL MOMENT 126
A view of New York on the 20th anniversary of 9/11.



Drivers

“Being between and betwixt identities and cultures made my life very complicated. But I embraced that messiness.”

REGINA MERSON P. 46

“It is the responsibility of a new generation of tech founders to limit the power of these organizations.”

JULIAN TEICKE P. 78

“For roughly 100 years, Americans have thought that they were the most important people in the world.”

DAVID RUBENSTEIN P. 32

“Work. Curiosity. Luck. You put those three things together and you get the odyssey that I had.”

BOB IGER P. 20

“Instead of saying, ‘How are you privileged?’, ask people to write down three things they’re grateful for.”

KENJI YOSHINO P. 58

“What you do accounts for only half of how you get paid. How you behave accounts for the other half.”

SIMON ROGERSON P. 54

“I think in the next 10 years CEOs are going to be measured on how they treat their employees.”

STEPHAN SCHOLL P. 51

“The power of teamwork is greater than that of personal strengths.”

LANG PING P. 116

“Our customers aren’t sending their money, they are actually sending their love.”

HIKMET ERSEK P. 70

“Board tables aren’t created level. You have to earn your voice.”

ENRIQUE HERNANDEZ JR. P. 28

“Capitalism is not a science. If we invented it, we can change it.”

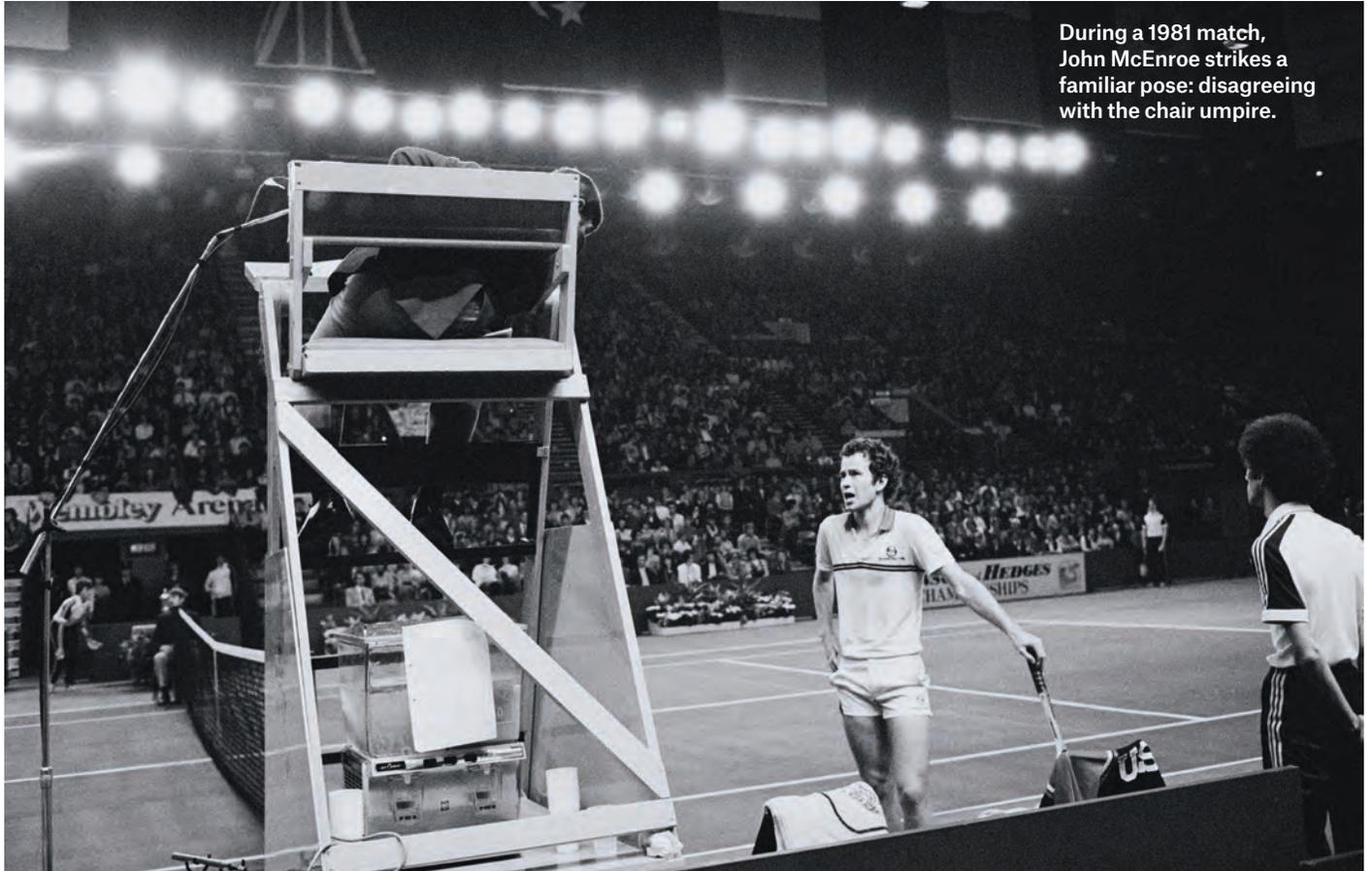
MARTY NESBITT P. 74

“People are expecting to see professionalism, resolve, clarity of thought—but they’re also increasingly looking for empathy and the human side too.”

GEORGIA DAWSON P. 66

SPORTSLIGHT

Observations, insights & analysis from around the world on a medley of topics.



During a 1981 match, John McEnroe strikes a familiar pose: disagreeing with the chair umpire.

Disrupting Like McEnroe

He challenged everything, to his benefit. **By Matt Shepherd-Smith**

IN THE REALM OF PERFECTION IS A 2018 FEATURE-LENGTH DOCUMENTARY by the French director Julien Faraut about John McEnroe, focusing on the 1984 French Open at Roland-Garros. It is an extraordinary film, not least because in it we see something most unusual in sport. We see an elite sportsman whose behavior is at odds with that of every other professional tennis player. We see a man who doesn't harness his emotions in order to succeed, but instead feeds off his sense of persecution in order to achieve higher levels of performance. It is, in the words of another French visionary, Jean-Marie Dru, a "disruption."

Jean-Marie is an advertising veteran who coined the phrase "disruption" in relation to communications. It is best defined as the process by which one identifies the conventions of a business and its competitors, and upturns those conventions to find new room to grow. In other words, finding a way to relevantly differentiate your business to be more interesting to your audiences.

It takes a brave company to be a disruptor. It demands that you take a new and unknown path. It demands that you become a challenger.

John McEnroe was a challenger. He did things differently. He changed the game of tennis. Not only in how he played, but in how he saw the game. As the narrator says, "Björn Borg puts the ball in the spot where the other player is not. McEnroe puts it in a place the other player will never reach." But it was not solely his playing style that set him apart, it was how he channeled the injustices around him that really made him different.

McEnroe had an intensity that shut out reality and prevented rational, conventional behavior. He prowled the court, absorbed the jeers, fought umpires, smashed racquets, railed against the media, shouted at the world around him, and played tournaments in a state of torment and tears. It was, and remains to this day, unlike anything we have seen before. John McEnroe dislocated the norms of tennis for the benefit of the game. He showed the benefit of being a challenger.

The challenger philosophy has commonly been applied to advertising. But it is a philosophy as pertinently and effectively applied to any other form of business transformation or communications need and, I would argue, is needed now more than ever. Businesses are having to pivot to cope with the impatient audience demands of a fast-changing world. Climate, COVID, social injustice, cyber-insecurity, digitalization ... the long list of new hurdles goes on, and they all need careful navigation. As a consequence, we are seeing audiences no longer categorized as corporate or consumer, but communicated to as stakeholders. And as stakeholders, we all have a stake in the big game of deciding whether these businesses succeed or fail.

To influence and cajole us, we are all being bombarded with more messages and more interruptions every day. And while businesses can reach us all individually or collectively, it is getting harder and harder to make us stop and take notice. Not just because messages are more plentiful, but because if it isn't relevant, disruptive, creative and thoughtful, your key stakeholders won't care. Your message won't get a second chance to make a first impression.

Good disruptions in communications are not easily found, but it shouldn't stop you from aspiring to find them.

A good place to start is by looking at the conventions that occur in a category. You will see many conventions that are perfectly valid and valuable, but many others that you can jettison to start to break from the pack. McEnroe saw the convention of every other player throwing the ball

directly upward to serve. So he did it differently. He threw the ball forward as well as upward, and leapt in the air to connect with the ball a yard over the baseline. He gained a yard of advantage over everyone else. He defied conventional wisdom.

A second answer might be in applying this disruption to our own working habits. Creativity thrives on change and chaos, and our enforced working restrictions demand that we do things differently. To that point, I suggest you periodically offer a creative brief to everyone in your organization and invite short-term "binge thinking." While your colleagues might be busy, they are looking for excuses to break from the tedium and engage their brains in new ways. Throw them a ball. Harness that collective energy around a business opportunity, where many will be encouraged to conceive ideas. A good idea can come from anywhere, now more than ever.

The other approach is to encourage the occasional focus on boredom. This may sound counter-intuitive, but letting your mind drift and wander away from the day-to-day will encourage your brain to find new ways to occupy itself. The result is often an unexpected flash of inspiration or train of thought that is distinct and unencumbered from your normal processes. A subtle disruption from the norm. The result? A differentiated thought. A way of seeing the game differently, and going where your competitors will never reach. ♦

Matt Shepherd-Smith is CEO of MerchantCantos, Brunswick's creative agency. He is based in London.

McEnroe had an intensity that shut out reality and prevented rational, conventional behavior.

Benchmark

A South African justice's decision models principled leadership for the long term, says Brunswick's Itumeleng Mahabane.

MUCH IS SAID ABOUT RESPONSIBLE, principled leadership in our world. Yet examples are rare—a natural reluctance given that principled leadership sometimes requires decisions that prove costly in the short term, notwithstanding their necessity in terms of long-term value.

Our short-term culture exerts a constant pressure, making values-based leadership harder. Yet, in an increasingly complex world where the social and the commercial spheres collide, principled leadership matters.

This conflict need not be seen as a trade-off. In many cases, principled decisions are recognized and applauded, bringing the leader respect far greater than any short-term discomfort.

On a cold winter morning, June 29, 2021, Sisi Khampepe, South Africa's acting Deputy



Chief Justice, ordered South Africa's former president Jacob Zuma to turn himself in to serve a 15-month sentence for contempt of court. She gave him 48 hours. Failing that, she ordered the Minister of Police and the national police commissioner to arrest him within three days.

She knew that what she was doing could provoke strong reactions. It was an exercise of

the maxim, "let justice be done though the heavens fall."

Less than 10 days following that judgment, a range of actors unleashed urban chaos in Johannesburg, Durban and Pietermaritzburg, three of South Africa's largest metropolitan areas. Debates continue as to whether the riots were organic uprisings or a coordinated insurgency by the former president's loyalists. The

orgy of destruction overwhelmed an underwhelming police force, leading citizens to take "order" into their own hands. More than 300 people died, supply chains from fuel to medicines were thoroughly disrupted. President Cyril Ramaphosa mobilized the largest domestic deployment of troops since the end of apartheid.

Yet, while society and legal minds were divided about the sentencing, no one blamed Justice Khampepe for the fallout—the opposite, in fact: She is celebrated. The judgment is seen as one that will likely serve as an important precedent, potentially changing the way the country regards the Constitutional Court.

Her clarity of purpose seems to demand the rest of society step up where leadership is concerned. The judgment was crucial in signaling the importance of a rules-based Constitutional democracy. While it has come with the short-term costs of disorder and lawlessness, it is likely to prove critical to the country's long-term resilience. ♦

Itumeleng Mahabane is a Brunswick Partner based in Johannesburg.



AS RECORD-BREAKING WILDFIRES destroyed trees, property and lives on millions of acres in the American West last year, the world was facing another type of wildfire: the continued viral spread of misinformation and disinformation. No less destructive in its own way, the rise of disinformation has repeatedly put assets, lives and public safety at risk.

Like forest fires, false narratives thrive in combustible conditions—political polarization, poor-quality information sources and high levels of public distrust in institutions are the dry tinder. Misinformation may spread from an honest mistake, while disinformation is deliberately wrong—a kind of arson. Social media picks up the sparks and spreads them across the internet. Disinformation can grow into a conflagration threatening society, corporate reputations and even basic functions of government—as witnessed in the US Capitol insurrection of January 6. Fueled by a months-long surge of false information, the violence that day resulted in the deaths of five people, the temporary suspension of congressional activities, threats to the safety of elected officials

Disinformation WILDFIRE

The metaphor for how disinformation spreads can be applied to combating it.

and the ransacking of the iconic halls of US democracy.

In a recent Brunswick survey, 53% of US respondents agreed that “CEOs and business leaders should do whatever they can to stop the spread of misinformation, even if it comes from public officials.” Yet only 25% thought business leaders were doing a good job of it. We at Brunswick have had many opportunities to describe how companies can fight back. Forest fires offer a conceptual framework: (1) know your risk level, (2) prioritize which fires to fight and (3) build firebreaks to protect key assets and to prevent the fire from spreading.

Know your risk level: Drought conditions make forests a higher risk than times of normal rainfall. Similarly, leaders should take stock of how risk to their organization’s interests changes around shifting

controversial financial, political and societal issues.

The first task in a counter-disinformation playbook should be an audit of vulnerabilities. This would include past controversies involving the organization, social media around the sector and specific actions planned or underway by the company.

Prioritize high-risk narratives: Which fires should you fight and which do you let burn themselves out? Those that threaten key or sensitive areas are a priority. Likewise, the fake narratives that matter most are the ones that threaten your license to operate, while others are only worth monitoring. We recommend a risk assessment framework to decide which false narratives can do the most damage. What is the potential impact of the narrative? Is it credible to key audiences? What is the penetration of the narrative?

Build firebreaks: Smart action in advance can create obstacles to the threat of misinformation and potentially contain the spread. This requires understanding your audiences, identifying your advocates and those who are undecided but persuadable, and then

optimizing your communications to ensure these audiences know your narrative.

At its heart, disinformation is aimed at eroding trust by assaulting motives and intentions. Disinformation narratives are often emotionally engaging. The counter is to clearly communicate your values and motivations to key audiences—the “why” of what you do. This can build reservoirs of good will and trust that are harder for fake narratives to penetrate.

As with all corporate communications crises, it is better to have a plan of action in mind before an actual need arises—in this case, a disinformation playbook. This detailed action plan—even if it needs to be adjusted to handle unforeseeable events—can be a critical, calming guide for handling a fake news inferno. Ultimately, such preparation will also help clear away the combustible material, making you less appealing for the fire-starters of false information and conspiracy, and more resilient in the event your organization becomes a target. ♦

Preston Golson is a Director based in Washington, DC.

ESG Influencers

Brunswick Insight analysis examines the voices driving the ESG conversation.

ESG HAS SEEN A 150% INCREASE in news coverage over the past two years, according to Dow Jones Factiva. But who, or what, actually drives that coverage? Brunswick Insight identified the leading English-language ESG voices on Twitter from every continent. From there, we used keyword searches and machine learning to build an online-audience panel of more than 1,000 top influencers. The top 10 averaged 86,000 followers and included a former portfolio manager, academics, climate scientists, a best-selling author and a member of US Congress.

The panel of 1,000 generated over 30% of all Twitter-related ESG conversation over the past six months—an outsized influence for a relatively small group. The conversation focused less on individual companies and brands than on broader topics and ongoing debates. Centered around some combination of sustainability,

climate change and technology, top themes included: sustainable finance; CSR and what it means; the feasibility of achieving net zero; electric vehicles; and artificial intelligence.

Judging from these current debates, a few questions stand out as an indicator of where the conversation may be heading:

- **Can ESG affect climate change while still offering a return-on-investment?**
- **Has the pandemic better set the stage for ESG and greater “green” outcomes?**
- **How can we fight “greenwashing,” where companies exaggerate their efforts, and what is the potential role here of AI?**
- **What is the role of cryptocurrencies, particularly given the power they consume?**

All this means companies face long odds if they want their own ESG efforts to grab the spotlight. Our analysis suggests a company’s content would perform better if it were less about themselves. Companies considering joining in would be well-advised to actively monitor the space. The nature of these discussions is unforgiving and there is a lack of consensus around some core ESG aspects. Better to first understand the conversation and the voices shaping it before offering their own. ♦

Antonio Ortolani is a Director in New York. Additional reporting by Associates Hannah Rückel in San Francisco and Zayd Mabruk in Dallas.



Beyond Beautiful

London’s historic Kew Gardens offers its science in the service of humanity. By Senior Advisor Ben Hirschler.

CAN A BOTANIC GARDEN HELP save the world? Richard Deverell is convinced the answer is “yes.” The Director of Royal Botanic Gardens, Kew, is putting science at the heart of the 261-year-old institution to align the entire work of the famous gardens behind the twin challenges of biodiversity loss and climate change.

Deforestation is increasing, global emissions are disrupting weather patterns, new pathogens are threatening crops and illegal trade is eradicating entire plant populations. Meanwhile the challenges Deverell faces are also huge. Ticket sales at Kew were hit hard by the pandemic, punching a £15 million hole in 2020 income and forcing the organization to furlough more than 50% of its scientists.

“We feel a growing sense of urgency, yet at the same time there is frustration,” he said. “Kew can help shape and implement solutions, as well as explain to people why it matters, but honorable intentions are not sufficient. You need the resources to make a difference.”

Kew Gardens is a UNESCO World Heritage Site on the banks of the Thames. In 2019, a record 2.2

million visitors admired its soaring Victorian glasshouses, beautiful trees and carefully nurtured flowerbeds—over 1 million living plants. But the gardens are only part of its story.

Hidden away in its herbarium, out of sight of the visitors, are 7 million plant specimens dating back more than two centuries, including some collected by Charles Darwin. The oldest are from India and were gathered in 1696. A matching fungarium contains more than 1.25 million specimens of often weird and wonderful fungi, which carry with them a faint aroma of mushroom soup. And 30 miles to the south, at Wakehurst, Kew’s wild botanic garden, the Millennium Seed Bank contains 2.4 billion seeds, the most diverse wild plant genetic resource on the planet. These deep historical roots let Kew’s collections shed light on changes in the spread of species—from oaks and orchids to rust fungi. Scientists can reconstruct the extent to which forests and other ecosystems may have been destroyed by human action or climate change.

A report from Kew in September 2020 estimated that 40% of the



world's plants are now threatened with extinction—a jump from one in five plants thought to be at risk in 2016. Researchers fear species are disappearing more quickly than science can identify them. That chimes with other recent warnings, such as a sixth mass extinction, caused by humans, described in a 2020 film by renowned natural historian and former Kew trustee Sir David Attenborough.

Leveraging Kew's expertise to counter these threats requires a more proactive approach, Deverell believes. "We need to change the nature of the science we are doing, and we need to speak with more urgency and bluntness about the

"If people believe Kew is nothing more than a lovely heritage garden, we will have failed."

biodiversity challenges we face," he said. "We have got to reach beyond the garden walls."

Last August, the government of Cameroon canceled a logging concession for Ebo Forest, one of the West African country's largest intact rainforests, after scientists at Kew documented the incredible array of plant species at risk. Environmentalists worldwide, including actor Leonardo DiCaprio, drew on Kew's work in their campaign

against the logging. In another initiative, Kew works with other conservationists in a program to identify priority forests around the world and create a library of tree DNA that can identify whether wood comes from illicit sources.

Deverell intends to double-down on such projects. A former BBC executive who took over at Kew in 2012, he is the 17th director of the venerable institution. He is excited about an invitation to advise Tanzania on ambitious plans to plant billions of trees across 5 million hectares—a multi-year exercise of expertise to select the right species for the right location. "The prize of getting it right is enormous and the cost of getting it wrong is equally enormous," Deverell said.

One huge technical task is to drag Kew's centuries-old specimen collection into the digital era. Stored on sheafs of paper in thousands of cardboard boxes holding pages with leaves, stalks and flowers from around the world, the data will be offered online, where researchers otherwise must visit Kew in person.

Kew also has an ongoing "Perception Shift" program to make the case for its scientific ambitions to supporters, staff and visitors, raising awareness of its mission beyond its much-loved public gardens. Kew's long legacy also holds issues to be addressed. In the 19th century, Kew played a key role in the movement of valuable plants for agriculture and trade, with sometimes shameful episodes rooted in colonialism and racism. Kew has an urgent duty to confront this past, Deverell says. "The history is there, and we cannot brush this under the carpet. We have to take this very, very seriously—it will take years of determined focus," he said.

An even more unequal world is emerging from the coronavirus pandemic. For Deverell, Kew's role in the path forward is clear: The work must start by taking stock of the world's wild places and painstakingly enumerating the threats.

"If people believe Kew is nothing more than a lovely heritage garden, we will have failed." ♦

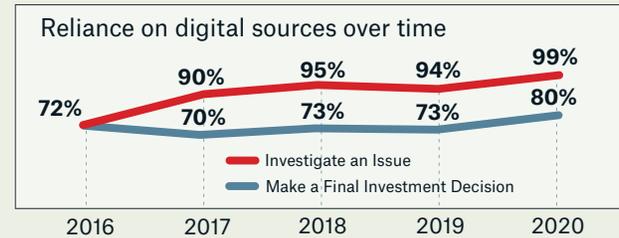
CHARTS: PETER HOEY, PHOTOGRAPH COURTESY OF KEW GARDENS.

DIGITAL Acceleration

Findings from Brunswick's 2021 DIGITAL INVESTOR Survey

Remote working drove digital acceleration, with YouTube use and newsletter subscriptions up dramatically.

After holding steady for years, digital use accelerated in 2020.



Fastest growing digital sources



Company IR pages are investors' most used and most trusted source of information.

Usage of investor relations websites outperform all other digital sources.



Investor Relations Websites

IR Websites were tested for the first time this year, and proved to be a go-to source for investors.

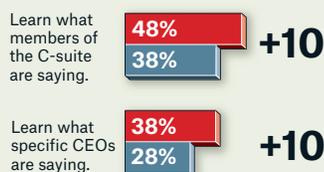
Region	Investigate an Issue (%)	Make an Investment Decision (%)
North America	92%	75%
Europe	90%	65%
UK	93%	74%
Asia	85%	52%

How helpful are the following actions that companies take to provide you with information for your work?

92% Having an IR website **87%** Issuing a press release

CEOs' social media accounts are increasingly important.

What are the reasons you use digital media platforms as part of your work?



The increased interest in what CEOs are saying signals the importance of keeping their social media channels **updated and relevant.**

Region	2019 (%)	2020 (%)	Change (%)
North America	39%	45%	+6
Europe	35%	53%	+18
UK	32%	48%	+16
Asia	57%	57%	0



Leadership **FACE TIME**

ZOOM FATIGUE” SAYS MORE about our exhaustion with meetings than it does our relationship with video technology. Video remains the next-best thing to an in-person conversation—what would you think of a boss who fired you over email?—and far more humanizing and interesting than text. As an investor, would you rather read a release about a new factory opening or be invited to a virtual tour? Are you more likely to reach the end of a 500-word update or a 30-second video?

Yet video remains a tool only a fraction of executives use regularly. It’s difficult to reconcile: If a leader is going to spend time communicating, why not do so in a way that social media platforms prioritize and that their audience is more likely to engage with?

To the point about social platforms—their algorithms weight video content above article-length blocks of text; they know video is more effective at capturing your attention. That’s why video typically plays automatically as you scroll—watching takes less effort than clicking a link. In short: The same message, delivered by

Business leaders need to be seen and heard, not just read. Video can build connection at scale.

the same leader, will reach more people on social media as a video than as an article.

The good news is you don’t need a full-production crew anymore to produce footage. The ubiquity of Zoom, FaceTime, and reality television have normalized a “come as you are,” unscripted aesthetic—overproduced videos seem insincere. Still, there’s more to it than just pressing “record.” Here are my top tips for executives and their teams getting started:

1. Clarify your message and audience. Know what you want to say ahead of time. Most leaders I work with use brief memory joggers on a single note card or memorize key passages. Your audience should not only inform that message but also how you deliver it. Front-line employees don’t want to see executives in suits talking in corporate-speak. Investors aren’t likely to enjoy an earnings recap filmed by an executive walking down a busy street. Chris Kempczinski,

President and CEO of McDonald’s, strikes the perfect balance. His videos, often filmed in his office or at a restaurant, show a mix of production values, ranging from the CEO filming himself on a smartphone to moments that are more composed: relaxed and dressed in business-casual attire with nice lighting and sound. He is often unscripted, sharing personal anecdotes that showcase his personality.

2. Remember the “Three S” setup. While you can record directly to your phone rather than booking a studio, you’ll look and sound better with attention to Stability, Set and Sound. Stabilize your phone with an inexpensive phone tripod. Choose a set with decent lighting. Improve your sound with a laval mic.

3. Practice makes progress. You might nail your video on the first take, but chances are you’ll benefit from rehearsal. Practice builds confidence and confidence is persuasive.

4. Put first things first. A person typically spends less than three seconds viewing any piece of social media content. That time decreases for younger demographics and those on phones. Make sure the most important message is up front. Ask if your

video will resonate if your audience sees only the first frames—because that’s all most will see.

5. Be brief. Every second beyond the first 30 increases the likelihood you’re speaking to an empty room. For more time, consider breaking the footage into multiple videos or providing more depth in a supplemental link.

6. Find a unique angle or opening hook. Thousands of videos are uploaded daily. What’s going to make yours stand out? Unexpected camera angles or locations can help. bp CEO Bernard Looney does this masterfully. A video response to an Instagram comment placed him in a casual pose followed by an eye-catching graphic sequence to pique followers’ interest and reinforce a people-first leadership style.

7. Produce a silent movie. An estimated 70% of social video is watched without sound. Use captions and other non-verbal cues like a whiteboard, prop or motion graphics. If your video doesn’t work as a silent film, start over.

8. Extend a video’s lifespan. The most valuable asset in any Connected Leadership strategy is an executive’s time. Maximize any video content by thinking through all the ways you can leverage it. For a 5-minute video, you can create a 30-second cut for social media, host the long-form version on YouTube, post teaser snippets to Instagram or LinkedIn Stories, and craft quote cards for future reinforcement.

The point isn’t that leaders should abandon text. It’s that video can increase the scale and impact of the messages they’re already delivering. In a sense, leaders who fail to make use of video are like boxers choosing to punch with only one arm. The good news is that such a self-imposed disadvantage can be overcome with a little practice, giving leaders more ways to make their efforts land meaningfully. ♦

Craig Mullaney is a Partner based in Washington, DC and a New York Times best-selling author. His Connected Leadership column and newsletter spotlight digital and social media.

ABOUT THE ISSUE: LEADERSHIP

WE DID NOT SET OUT TO BREAK ANY RECORDS WITH THE 21ST edition of the *Brunswick Review*. But it turns out that when you issue a call for leadership-themed content during a global pandemic, you get a big response. This Leadership issue runs to 128 pages, making it the largest magazine in the 12-year history of the *Review*. • That response started inside Brunswick, among our 1,300 professionals on six continents. A firm populated with former communications executives, former journalists, former lawyers, former bankers, social-media specialists, investor-relations experts, research analysts, literature majors, former business executives, former government officials—Brunswick needn't order anyone to write for the *Review*. The magazine gives expression to a literary impulse that runs deep in the firm, and that's highly sensitive to current events. Leadership may be a perennial topic, but the pandemic made it news. • The leaders profiled here—from legends like Bob Iger, David Rubenstein and Angela Merkel to next-gen standouts like Georgia Dawson, Kenji Yoshino and Dino Varkey—reflect the interests, expertise and vast networks of the Brunswick professionals who interviewed them. The editorial process mirrors an important part of how Brunswick serves clients: Before advising, we ask and we listen. A strong sense of

Brunswick's own leadership can be gleaned from Founder and Chairman Sir Alan Parker's essay (p. 3), and from our interview with CEO Neal Wolin (p. 16). • Regina Merson thought COVID would end her new career as a cosmetics entrepreneur—who'd wear lipstick under a mask?—until her Latina customer base proved its durability (p. 46). In other stories here, the pandemic serves as the context for a broader and deeper meditation on leadership. For Leonard Lauder, the pandemic brings to mind the hardship his parents faced as they launched a cosmetics firm in the wake of the Depression and the Second World War (p. 25). For Oscar Munoz, the pandemic revealed, yet again, mankind's potential for resilience and creativity (p. 40). For leaders across industry and age groups, the pandemic seems to have deepened the conviction that companies should serve interests other than shareholders. "It's a different world," says Rubenstein (p. 32). • On the eve of Angela Merkel's final days as German Chancellor, the *Review* received a brilliant analysis (p. 88) of her storied political career from Brunswick Senior Advisor Carl Hohenthal, a former political correspondent for Germany's premier national daily newspaper. • We hope that you'll find these stories illuminating, and please reach out if we can answer any questions or help in any way.

KEVIN HELLIKER EDITOR IN CHIEF
khelliker@brunswickgroup.com

ILLUSTRATION: EDMON DE HARO





NEAL WOLIN'S RÉSUMÉ RUNS BACK AND FORTH BETWEEN BUSINESS and government. Before his 2018 appointment as Brunswick CEO, he served as Deputy Secretary of the US Treasury from May 2009 until September 2013—the longest serving in US history—and Acting Secretary of the Treasury in January and February 2013. As Deputy Secretary, Wolin served as the Treasury Department's Chief Operating Officer and supervised all Treasury bureaus and domestic and international policy offices as well as its management, legal, public affairs and congressional affairs functions. He was a key architect of the Obama

administration's financial reform plan and played a critical role in international economic matters, working with finance ministries, central banks and major international financial institutions on economic growth, financial reforms and economic sanctions issues. He served the Obama administration as Deputy Assistant and Deputy Counsel to the President for Economic Policy. For five years, he also served as Chairman of the Committee on Foreign Investment in the United States, or CFIUS.

PHOTOGRAPH: DALTON PORTELLA

NEAL WOLIN

“THE WORLD IS
CLAMORING FOR
MORE INSIGHT,
MORE WISDOM,
MORE HIGH-QUALITY
LEADERSHIP.”

In an interview, **BRUNSWICK'S CEO** assesses the challenges facing leadership in a time of crisis.

Prior to the Obama administration, he was President and Chief Operating Officer of the property and casualty insurance companies of The Hartford Financial Services Group, a \$20 billion Fortune 200 company. He previously oversaw the company's legal, government affairs, communications, marketing and tax functions. In the '90s, in the Clinton administration, Wolin served as General Counsel of the US Treasury and as a member of the National Security Council staff at the White House.

Wolin is a board partner at Social Capital and an equity partner at Data Collective Venture Capital, both venture capital firms based in northern California. He is also a limited partner advisor to Nyca Partners, a venture capital and advisory firm focused on financial technology.

Wolin is a member of the Council on Foreign Relations and a board member of the Atlantic Council and the Partnership for Public Service.

He graduated from Yale with a BA in History and holds a Master of Science in Development Economics from the University of Oxford, as well as a JD from Yale Law School.

Wolin speaks here with Philip Delves Broughton, Brunswick Partner and Group Head of Content, and bestselling author of four books.

As we start to emerge from the pandemic, what issues stand out to you?

We will be working our way through COVID for quite some time at both the macro and micro level. We will be sorting through who's been vaccinated, how we can get more people vaccinated, how to think about new variants that pop up unpredictably but with some frequency, the extent to which different vaccines are effective in the face of different variants and whether they exhibit efficacy over longer periods of time. There will be fits and starts and COVID will be a continuing concern.

There has also been this huge dislocation in all our economies in terms of growth, markets and supply chains. We have seen major discontinuities, like the magnification of income and wealth distributions and the stark extent to which COVID has affected poor communities in the developed world and countries in the developing world much more severely. The challenges of COVID have also exacerbated the jagged edges of certain economic questions related to national sovereignty and national interest.

Aside from the big public health and economic issues, organizations around the world are dealing with substantial amounts of uncertainty at the micro level: the disruption of people's work, how individuals think about the future of work and the interconnection of work and physical space.

It's striking that in the midst of all this uncertainty, significant numbers of people have left their jobs, without a clear sense of what comes next and with a willingness to forgo what had seemed known. The pandemic has changed how many people think about their own happiness, risk tolerance and resilience.

Has the pandemic changed America's relationship with the rest of the world?

There is in American politics today a kind of inward focus that was not present to the same degree five years ago. Part of it is COVID, part of it is the US-China relationship, part of it was exacerbated by the Trump administration's version of populism.

All those things have their expression in areas of policy, like antitrust, or the orientation of the US to inward, foreign direct investment or trade agreements. This is true for the Biden administration that wants to act and is acting multilaterally and it is true across party lines in Congress. I think it will be true for some time for a complex set of reasons that are hard to disentangle.

It doesn't mean that the US won't participate in the world or that we will necessarily have deeply divided supply chains. But it does mean there will be more friction with a certain version of the multilateralism that was the prevalent way of thinking from the fall of the Berlin Wall—or perhaps since the end of World War II—until 2017.

Where have people found examples of great leadership during the pandemic?

People have found authentic leaders to be those who have spoken out with clarity and honesty and who have been particularly good at thinking through resilience. I don't think that they come from one part of the world or one sector. Some have been leaders and others have been advisors to leaders.

I do think there is an opportunity for more leaders to stand up and be heard in a way that makes one say: "This is someone we should be paying attention to, someone who is navigating all this complexity in a particularly effective and impressive way." The world is clamoring for more insight, more wisdom, more high-quality leadership.

Has the way that CEOs see their role changed over the past 12 months?

Looking back over the last few years—and looking across the world—the role of CEOs has changed meaningfully. The days when companies could stick to their knitting and satisfy their shareholders with positive financial results are over. A greater group of stakeholders now expect and demand CEO attention on a set of issues that are broader than the strategy, operations and finances of their business. The range of stakeholders goes from employees to the communities where these companies exist and do business, to government officials, the wider media and thought leaders, as well as civil society. There's no doubt that

"IN THE END, ONE WANTS A POLITICAL AND ECONOMIC SYSTEM THAT HAS, AMONG OTHER CHARACTERISTICS, FAIRNESS AND THEREFORE STABILITY."

CEOs in the year 2021 find themselves quite often having to formulate a position on topics they would not have thought much about a few years ago.

Is that a reasonable expectation?

In a way, it doesn't matter whether it's reasonable or not. It just is. But yes, it is reasonable. Companies are big actors in the world. They play an important role in all kinds of ways and they interrelate to groups of stakeholders beyond just shareholders. Issues related to employee well-being and the future of work, climate and biodiversity, diversity, equity and inclusion, public policy, geopolitics, and regulation—all those issues are, more than ever, in the purview of CEOs.

Are governments and companies getting to understand each other a little better?

The intersection of the private and public sectors has become greater and more complicated. But I don't necessarily think that, at least for the moment, this has brought greater clarity or mutual intelligibility across the divide. There is still a certain unfamiliarity, a certain lack of understanding about what motivates one side or the other, and how they think about things.

However, the frequency and quality of the interactions between the private and public sectors has increased, especially with COVID and its related macro-economic and public health challenges. Governments have become more involved, creating programs and supporting the macro economy in ways that bring the reach of government further into the private sector—with all the regulatory implications it comes with. This is true in many democracies around the world.

A lot has been said since the murder of George Floyd about race, inclusion and diversity, but has there been substantial change?

My sense is that progress has been made—both in the corporate world and in broader society in many countries where people took to the streets to protest the murder of George Floyd and systemic racism. Whether the change is profound or not, we don't have the longitudinal evidence to know yet. I do think that our progress on these issues is made over long arcs of time, and this might be a moment of intermediate progress, where there was a kind of consciousness raising, a sensitization to certain issues. Things that didn't receive the right amount of attention or the right commitment to change suddenly received more. On the other hand, at least in America, there's a political and social divide about how to think about

lots of these issues, including race, and I don't think that the basic orientation of people with strong convictions on these topics has meaningfully changed in one direction or the other. That is why, in addition to acknowledgement of the problem and commitment to change, we now need greater action and accountability to drive sustained change.

What do you mean when you speak about “inclusive capitalism”?

It's the idea that the long-term success of market economies, and the political systems associated with them, depends on taking account of, and tending to, questions that are outside the purview of the markets themselves. Fundamental questions of who's in and who's out, who participates and who doesn't, who benefits and who doesn't—and in what ways. There is plenty of room along this continuum to dial the thinking forward or back. But in the end, one wants a political and economic system that has, among other characteristics, fairness and therefore stability.

What's changed in your life running a company over the past year and a half?

First, I've woken up every day and assumed that things have changed quite a lot. There has been so much change and flux that I think I'm becoming more comfortable with understanding that we have to take it as it comes. We're not in control of huge macro developments in the world that affect our company, our clients, our families. You want to have a plan, a theory of the case, a sense of where you want to be headed at any moment in time. But you also need humility and the realization that much of that can be thrown off course quite quickly and quite fundamentally. Then you need to reorient yourself and try to figure out the next day, week and month, and how that strategy, that sense of where you should be headed, has readjusted.

Second, the nature of human interaction has changed. Before the pandemic, I spent a lot of time traveling all over the world to meet with clients and colleagues and to be with people in three dimensions. Over the past year and a half, we've all had to figure out ways to connect with people as best we can, to check in, to listen, to show empathy, to try to take in people's experiences, find out what they are finding challenging. While it was different from before, we could do all of that virtually pretty well. It's not a complete substitute. But figuring that all out was really important.

I'm old enough to be slightly unsophisticated in my orientation toward technology, but I became

comfortable working in a way that was technology dependent. The basic scaffolding of my work stayed intact, but now I could wake up and host a town hall in Beijing, before talking to a client in Berlin and then a separate call with our teams in Johannesburg. This translates to the whole firm. The extent to which we continued to do business across more than 1,300 people and 27 offices, serving more than 1,000 clients in ways that had nothing to do with three-dimensional human interaction is extraordinary. It's not like we're the only firm in the world that did it, but if you'd asked me on March 12, 2020 when we started this adventure, I would not have predicted that we would have shown as much resilience and continuity as we did.

Have you enjoyed any of the pandemic period?

I miss interaction with people in lots of ways, but I've loved spending more time with my kids. That's been a great treat. I'm very fortunate in that my health was good and my family's health was good, so we were very lucky on those scores. I don't miss the amount of time I spent in airports before. And I do feel in a strange way more connected to lots of colleagues around our firm because I get to see them more often. It's in two dimensions, not three, so there's a put and a take, but there's something about the frequency of interaction that I think is good. But obviously, if you had your choice, you'd say no COVID.

What's the most intellectually rewarding part of your job as CEO of Brunswick?

The range of issues and clients that we cover is extraordinary. I personally get to focus on an unbelievably rich set of things, both for our clients and in thinking about our firm and its path. There is a constant need to be on your toes, to stay abreast of what's going in the world. I'm not a public health expert, but trying to understand COVID and its implications across so many profound aspects of life has been remarkably interesting—a cascade of complexity.

The thrill of Brunswick is that we have the great good fortune of helping clients around the world who are in the throes of all these important questions. Questions about how their businesses should work and what their intersection with government should be. Questions about financial issues, political and public policy issues, social issues.

We sit alongside people—our clients—who are engaged directly and deeply and are grappling with these issues in a real way, and who need help in figuring out how to navigate the complicated world around them. That's really a place of privilege. ♦

“TRYING TO UNDERSTAND COVID AND ITS IMPLICATIONS ACROSS SO MANY PROFOUND ASPECTS OF LIFE HAS BEEN REMARKABLY INTERESTING—A CASCADE OF COMPLEXITY.”



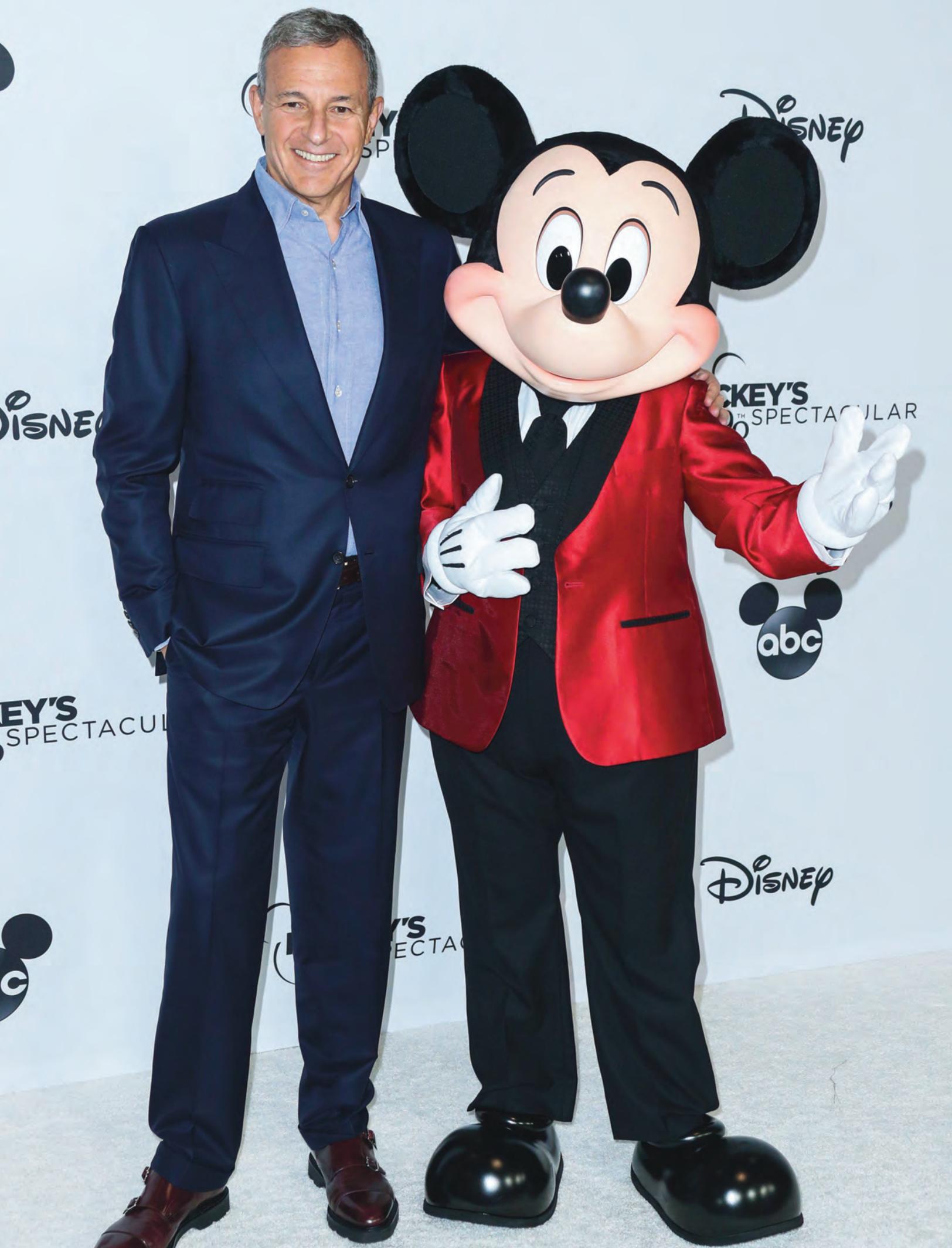
PHILIP DELVES BROUGHTON is a Partner at Brunswick and Group Head of Content. His books, including *Ahead of the Curve*, have appeared on *The New York Times* and *The Wall Street Journal* bestseller lists. He holds a BA from Oxford University in Classics and an MBA from Harvard Business School.

Ride of a Lifetime: A Conversation with

Brunswick founder
SIR ALAN PARKER
speaks with the
Executive Chairman
and former CEO
of Disney.

IGER

AFTER NEWS BROKE IN LATE FEBRUARY 2020 THAT BOB IGER WAS STEPPING down as CEO of Disney, Walter Isaacson, the former *Time* editor and author of a mega-bestselling biography of Steve Jobs, appeared on CNBC to talk about Iger's legacy. "It's huge," Isaacson said, "he's one of the great CEOs of our day and generation. He has been able to do the essence of value creating in the digital revolution, which is to connect imagination to technology." • Like many content creators, Disney could have been left in the dust of new players like Netflix. But during Iger's 15 years at the helm, the company's share price quintupled and its annual income quadrupled as it became one of the world's largest and most forward-thinking media companies. Iger emerged also as perhaps the greatest dealmaker of his generation. He orchestrated a string of acquisitions—Pixar, Marvel, Lucasfilm, 21st Century Fox—whose audacity was seemingly matched only by their rate of success. He also opened a Disneyland in Shanghai in 2016—an achievement that, given its geopolitical and logistical complexity, Iger described in his memoir, *Ride of a Lifetime*, as "the biggest accomplishment of my career." • Iger, who now serves as Disney's Executive Chairman, spoke with Brunswick Chairman and founder Sir Alan Parker at



DISNEY

Disney

MICKEY'S 90TH SPECTACULAR



KEY'S SPECTACULAR

Disney

KEY'S SPECTACULAR

the firm's virtual Annual Partners Meeting. As the pair discussed Iger's book, it emerged he was in the process of thinking through a new one. "It's about leadership in a crisis, and I'm constructing it right now with somewhat casual notes," Iger said. "But I think I'm going to ultimately write it."

We sent your book, Bob, to everyone in the firm, and many, many folks had already read it. This book's been an amazing success—a No. 1 New York Times best seller. You must be pleased.

I am. Thank you very much. I'm donating all the proceeds to create scholarships for journalism students aimed at fostering more diversity. So it's for a good cause.

I'm pleasantly surprised that it has resonated so well with people in business and people who want to be in business. It's a pleasant late-in-life surprise. Given all the angst I had about writing it, it's a relief.

More than anything, what people have reacted to is the fact that it sounds like it's in my voice, which is very true. It was my computer, or my typewriter, or my pen, however you want to put it. That's one of the reasons it resonated. Also I think it's pretty digestible. Since I'm professionally a storyteller, my aim was to tell stories. I haven't read that many business books. Not that they're not of value, but often they can be really dry. And I didn't want to write just another dry business book. So my aim was to tell stories, and teach some lessons along the way.

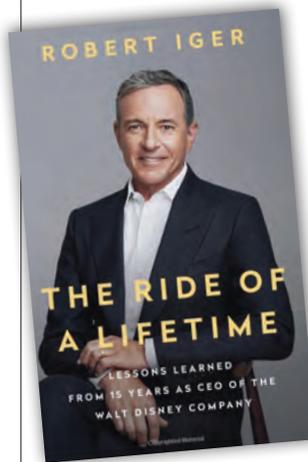
It's quite fun in that you write not only about leadership, but also how to get to a position of leadership.

I must say I was self-conscious talking about leadership. I feel that's not something a person's allowed to do until they've actually demonstrated they have some leadership abilities. And I was very, very careful about that. Even the leadership tenets that I listed, I wanted to see whether I could check boxes in terms of my own leadership performance.

The book was written mostly not because I felt that I had a great story to tell, but because I thought in telling my story I could teach some lessons to people. I'm asked interesting questions and somewhat absurd questions—"Who's your favorite Disney character?" But one I'm always asked is, "What's the secret to your success?"

When we've talked before, you've raised this point about the duality of leadership: You want freedom for the creatives, but you want them to operate within a system of values. You want to

"I DIDN'T WANT TO WRITE JUST ANOTHER DRY BUSINESS BOOK... SINCE I'M PROFESSIONALLY A STORYTELLER, MY AIM WAS TO TELL STORIES."



focus on the big picture, but you're passionate about the detail. How do you think about that?

You have to create a balance. One thing you just touched upon, for instance, is the balance between operational excellence and long-term strategy. You have to have a foot planted firmly in the present that's operating your business for today, and you have to have a foot in the future trying to figure out, "Where might the business go?"

I realized in terms of how I allocate my time that it was incredibly important to demand operational excellence for all kinds of reasons, including the investment community. But it was incredibly important—and this is what a CEO must do—to lead the company into the future.

It's one of the three key or core responsibilities of a CEO. One is to define what the organization is, what the company is. In our case, it was mostly high-quality branded entertainment. Secondly, define or determine the direction. That's strategy. And then of course the third: What is the value system? It's those three things. And all of those must emanate from the CEO of the company.

How can a CEO be that kind of "futurist"?

I see it as trying to paint scenarios or create potential outcomes about what the future specifically might be for our company. It's an area where I tried to set an example—I constantly articulated those ideas about what the future looked like to the most critical people on my team. And I exhorted them to think in a similar way. You know, "Let's talk about what might happen in our businesses down the road, and if we believe in these scenarios, then what do we need to do and when to be successful in that new world?"

Look, the pace of change is crazy. It's the fastest we've ever seen. If executives cannot live in a world of change, if they aren't capable of being futurists, then they shouldn't be working for you. I've found an executive who lacks those capabilities is unlikely to be much use to you down the road.

To me Disney is so magical because of the nostalgia it carries. What does that responsibility feel like when you're putting out content as Disney, knowing how powerful it can be in influencing a generation's imagination and memories?

I've always been aware of the impact we have on the world. It does put more pressure on us to be right and to be good. And that's really hard. Particularly in today's world which is so polarized and there's so much disagreement about what is right, there's

pressure to compromise standards or to please everybody. You can't do that.

So you have to have an ability to say, "What are the things we want to stand for? What do we believe is important?" And then you have to execute against those standards without compromising to those people who just do not believe that what you're doing is right to them.

That's required us to do a lot of things. We've had to diversify more. Not only in the people that are creating content for us and telling stories, but also those that are managing the storytellers at the company. We've learned that the only way to get things right is to have the voices in the room be from diverse, different backgrounds.

We also had to look back at all the things that we've done in different times and different standards and sometimes realize that in today's world they're not acceptable any more. We just have to do what we believe is the right thing and then move forward and make sure that we don't follow the same path today, that we're much more responsible in how we tell stories and the stories we tell because we're more inclusive.

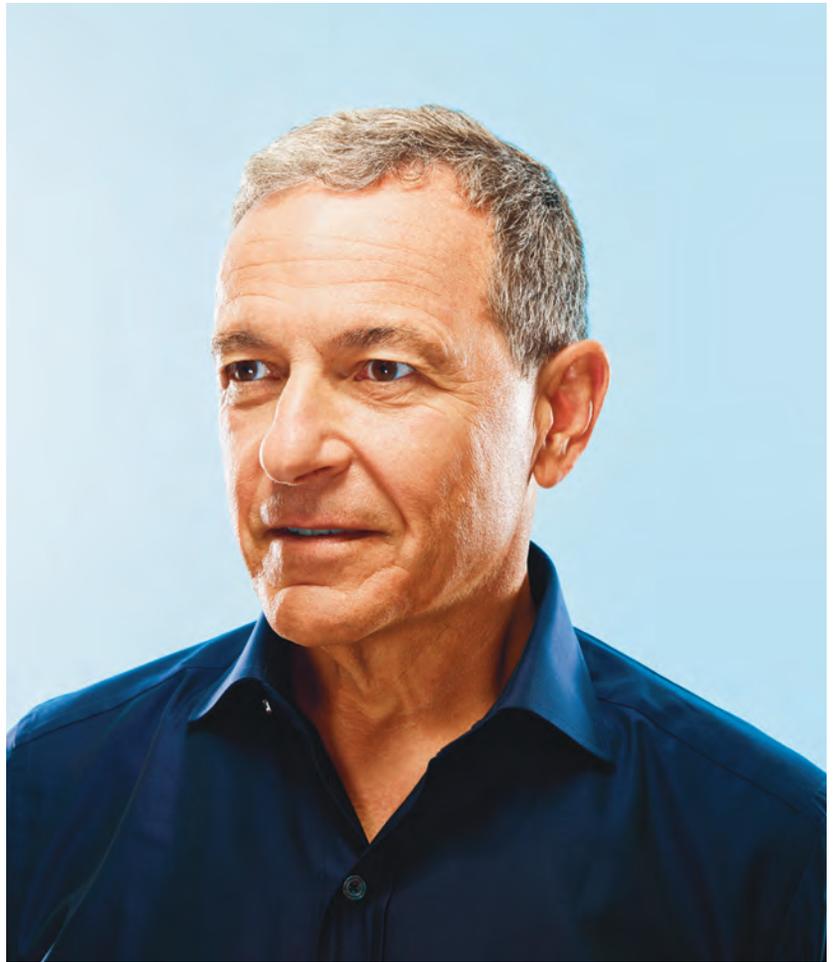
But the bar is high. Really high.

When I mentioned to someone that I was speaking to you later, they said, "Oh, you mean the greatest dealmaker of our generation?" I know with your humility you'll hate that. But you do deals. What motivated that approach?

I won't be humble in this regard. When I became CEO in 2005, I really had to think about what the company would look like down the road. That meant asking, "What steps do we need to start taking to be successful long term?" I concluded that content was king and that technology was going to commoditize distribution. Meaning there would be cable, satellite and internet. We weren't really thinking of an app-based media and entertainment business or consumption. But my sense was I shouldn't be focusing on that because distribution opportunities and consumption opportunities were going to proliferate.

So let's not invest in that commodity but let's take advantage of it. And how do you take advantage of it? Well, you create great content to feed this voracious appetite that technology has created. And the interesting thing about most of this technology is we're not even investing our own capital in it.

I think it was Charlie Munger from Berkshire Hathaway who asked: "What happened to Coca-Cola when someone invented the refrigerated



**"WORK,
CURIOSITY,
LUCK.
YOU PUT THOSE
THREE THINGS
TOGETHER, AND
YOU GET THE
ODYSSEY THAT
I HAD."**

vending machine for carbonated beverages?" Now, maybe Coke had a hand in it. I don't know. But suddenly, you could buy a Coke on any street corner, and it was cold, so it was better to taste. And boom. So the world is a cold carbonated beverage dispenser (laughs), and Disney's the beverage.

That's what begat Pixar, Marvel, Star Wars, National Geographic, ESPN—quality brands. Invest in quality content. Although I will say another new dynamic is scale on the content side: so quality and then scale of quality. In order to compete for the consumer, you have to have scale. You have to have a lot of stuff that they're going to want.

Where do you see the sector's trend line going?

You're going to see continued consolidation. Lots of it. And fast, because of that need for quality and scale.

I bet every boardroom, whether they're distributors or platforms, or whether they're content companies who had not been part of consolidation, are thinking, "OK, what can we buy? What's out there? What can we do? What can we sell?" The marketplace has gotten a lot more competitive.

One of your other passions that I can't resist touching on is quality journalism. You have a passion for quality journalism, as does your wife.

Yes. Well, I did some work for ABC News back in the early, early days of my career. And I worked for a man named Roone Arledge, who then became president of ABC News and then worked for me as well. And he was a real mentor of mine.

I got steeped in network television journalism and I just loved it. I loved the adrenaline rush, the sense of purpose, the urgency, the immediacy, the relevance of it. When you're in news, you're relevant every day.

And I've been close to the ABC News operation really since the late '70s. Coincidentally, my wife, who was a journalist, is now the dean of the Annenberg School for Communication and Journalism at the University of Southern California. And it's so interesting to watch someone create a whole new curriculum, to think through the question of "What is great journalism today?" For years they were teaching students to practice journalism mostly for print media. And while that's not completely obsolete, it's obviously just one part of their craft.

So yes, it's very much a passion of our household. When you look at the world today, one of the things to worry about is the future of freedom of the press worldwide. And standards as well. Standards of honesty and integrity and impartiality. Getting it right in a world where everybody wants you to get it fast is really complicated.

Rereading your book, Bob, it really struck me how much of an adventure story it is. A young man with bags of talents and ambition, plus a

Iger at a 2018 premiere of *Star Wars: The Rise of Skywalker*. Six years earlier, he had orchestrated a deal to buy Lucasfilm, the company behind the *Star Wars* movies, for \$4 billion. *Wired* magazine later called it "the deal of the century."



tremendous work ethic. But it's not as if you knew where you were going.

I think it was in Steve Jobs' commencement speech at Stanford when he talked about connecting the dots. It's always easy to connect the dots looking backwards. It's not as easy going forward. You know, you touched upon three things that are really critical in terms of my success.

One is work ethic. I just had a voracious work ethic. I love work. Second, curiosity. I give my mother and especially my father tremendous credit for that. I think you're probably born with a curiosity gene. But then someone has to let you know it's there or teach you how to tap into it and exhort you to continue to do so, and my father did that for me.

And the third, of course, is luck. So work, curiosity, luck. You put those three things together, and you get the odyssey that I had. I discovered early on, thank the good Lord, that I could outwork anybody. And that was interesting because I was not all that confident in my abilities. I had enough. I didn't doubt myself. But I didn't think I was special until I discovered that my work ethic was special and by outworking everybody I made up for what I consider to be an average set of abilities. And then the fact that I always wanted to learn, I always wanted to do new things, served me extremely well because in a way that drives you forward to new places. Tremendous, tremendous power in curiosity. More than I think anybody appreciates.

And then you just have to get lucky. I detail some of these moments in the book. I worked on a Frank Sinatra concert. Just happened to be produced by the guy who was president of ABC Sports. When it was done, he said, "Why don't you come over and work for us at ABC Sports?" That led to a 13-year career that enabled me to travel the world in the pursuit of what we call the human drama of athletic competition. And that made me a much more worldly person and taught me a tremendous amount about production and storytelling.

I had bosses retire just at the time that I was ready to go to the next level—that happened two or three times. Then, of course, ABC was bought by Disney. I wouldn't have run Disney if they didn't buy us. It's interesting to look back on it all because it seems like it's a straight line, but it wasn't. ♦

ALAN PARKER is the founder and Chairman of Brunswick Group and former Chair of Save the Children International. He is also Chairman of HRH The Duke of Edinburgh's Commonwealth Study Conferences. He was knighted in 2014 for his services to business, charitable giving and philanthropy.



Leonard Lauder, his wife, Evelyn, and mother, Estée Lauder, at an event at the Pierre Hotel in New York City in 1986.

LEONARD LAUDER

L EONARD A. LAUDER OFFICIALLY JOINED ESTÉE Lauder at age 25, but for 12 years he had been working unofficially for the cosmetics startup his parents had launched in their family kitchen in 1946. Since becoming Chairman Emeritus in 1999, he has remained actively involved with the company, both as a Board member and internally as “Chief Teaching Officer,” perhaps the proudest role Lauder has held during his more than 60-year tenure at The Estée Lauder Companies (ELC).

Lauder notes that ELC is *not* a family business; rather, it represents a family *in* business. Publicly

From a depth of experience that dates back to the hardscrabble 1940s, this prestige beauty industry legend surveys the world’s current travails and sees opportunity.

on Saying YES

traded, ELC is a \$16 billion-a-year company (based on FY21 estimated net sales) intent on serving its customers, employees, shareholders and communities. Today, the company is comprised of more than 25 global prestige beauty brands, including its namesake brand and Clinique, as well as several brands acquired during Lauder’s tenure as CEO, such as MAC, Aveda, Bobbi Brown and La Mer.

At 88, the story of his long and illustrious life and

career was published as the memoir *The Company I Keep: My Life in Beauty*. In the captivating personal account, Lauder reflects on his childhood, growing up during the Great Depression, his passion for education, foreign policy, philanthropy and the art world, and his work growing ELC into the beauty powerhouse it is today. He recently spoke with Katharine Crallé, Director, and Madi Wallace, Associate, both of Brunswick's New York office.

What motivated you to write the book?

I am a storyteller by nature. When I sit down for breakfast, lunch and dinner, I wind up telling stories to my family, my children and my colleagues.

Also, right now we are in a very crucial point in the United States and in the world as we're slowly emerging from the pandemic. My parents founded Estée Lauder during a difficult period like this. They were coming out of the Great Depression and the end of World War II. Everything was difficult. A lot of people didn't know where their next paycheck was coming from. It's a natural time to ask, "What have I learned from the past, and what can I do for the future?" Telling my story in this book is a way for me to address that question: "What can I do for the future, based on my past experience?"

Writing the book required you to look back over your life and career. Is there anything you would do differently?

I can't think of anything that I really regret. Now, could I have done a few things a little bit better? Of



Leonard Lauder was born in 1933. His mother, Estée Lauder, later founded with her husband, Joseph, the cosmetics empire that bore her name.

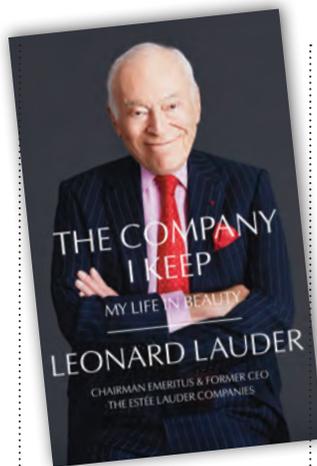


FROM HIS MEMOIR

Teaching kids forces you to focus on the absolute fundamentals of the topic. Start talking about anything extraneous—in fact, start talking about anything except the basics—and you'll lose their attention. However, if you can successfully teach a six-year-old kid—whether you're teaching him how to put his face in the water or coaching her how to hit a softball—you can teach anyone anything.

It's all about confidence. Learning how to swim is about confidence; learning how to sell is about confidence. You can't learn to swim unless you lose your fear of the water; if you're not scared of the water, you can learn to swim.

Years later, I would use the lessons I learned at Camp Arrowhead in our training program at the Estée Lauder Company. At Estée Lauder, everything was and



still is about training. It's one of our key differentiators from our competitors. They tend to teach product: "This is a jar of such-and-such and it contains this, that and the other thing, and you put it on your face and here's why it's terrific." That's training? No!

Training is all about teaching people that they can achieve anything if they know what to do and giving them the confidence to do it well. In my experience, if someone has never sold cosmetics before and doesn't make a sale the first week, they leave. But if she makes a sale the first week, she'll stay forever.

That's our advantage over the competition. Oh, and I could probably teach you how to swim, too.

From the book *The Company I Keep: My Life in Beauty* by Leonard A. Lauder. ©2020 by Leonard A. Lauder. Reprinted by permission of Harper Business, an imprint of HarperCollins Publishers.

course. You can always keep trying to do better. But do I regret anything? Not a bit. Onward!

Throughout the book you share a number of business and life lessons you've learned. What is the most important lesson you've learned that still guides you today?

Over the course of my life, I've had the opportunity and privilege to learn from a number of strong and effective leaders—from my mother and ELC colleagues, to my university professors and US Naval Officers. Today, I believe the most important lessons in leadership to be:

- 1. Value kindness.** Leadership does not have to be transactional or ruthless to be successful.
- 2. Hire people who are smarter than you.** You can be the head of a company or the leader of a team, but you can't do everything. You have to hire surrogates—thoughtful, responsible people who enhance your knowledge, extend your reach and pump up your performance.
- 3. Share the credit, own the blame.** You can delegate authority, but you can never delegate accountability. An accountable leader takes responsibility—for their own actions as well as the actions and performance of their teams. The buck stops with you.
- 4. Values**—real values—can co-exist with success.

Is there one idea you hope people will take away from the book?

Start with “yes.” Tomorrow will be a world of “yes.” Not “no.”

Years ago, when I was CEO, we made a decision to expand our portfolio of brands. At the time, we had just Estée Lauder and Clinique. I had started acquisition discussions with MAC, a Canadian brand. People in my organization said, “No. You shouldn't do that. It's a risk investing in a different type of brand. If we took the same amount of money and put it behind our own brand, think what we could do.”

But I believed in the brand and said, “This acquisition is something we have to do.” In retrospect, the acquisition of MAC was a huge success.

That decision reminds me of watching my parents take risks as they worked their way out of the Depression. One night when I was about 15, my parents took me out to dinner with their lawyer and their accountant. At that moment, my parents were on the verge of making an important decision, a big investment, and their lawyer and accountant said to them,

Leonard Lauder officially joined his family's company in 1958, after serving in the US Navy.



**“TOMORROW
WILL BE
A WORLD OF
YES.”**

“Estée, Joe, you can't do this. It's too risky. You're going to be killed by your competitors. Don't do it!”

Well, my parents made the decision that while lawyers and accountants make very good lawyers and accountants, it was their business, and they needed to say, “We're going to go ahead and do it anyway.” I was the witness to that “yes” that helped bring Estée Lauder to where it is today, an approximately \$16 billion (in estimated Fiscal Year 2021 net sales) global business.

That was coming out of the Depression. What I would recommend as we come out of the pandemic is that you start with, “Yes.”

When you think about the world now, what gives you hope?

When you take it country by country, you'd have to say that the United States faces some political challenges, the UK and Europe are still coming to terms with COVID and Brexit, India at this moment is having a terrible crisis with COVID. But in every case, humankind will prevail. No matter where you are, you must believe, “We will survive. We will win.”

I have a huge amount of faith in people. My wife, Judy, has a beautiful house on the coast of Maine. In that area, during the recent presidential election, we saw a lot of signs for Biden, a lot of signs for Trump. But right across the street from our house is an Anglican church, and there's a small sign in front of it that says something simple: “Be kind.” ♦

KATHARINE CRALLÉ is a Director in Brunswick's New York office specializing in crisis and change communications. She has also worked in Brunswick's offices in Hong Kong, Dubai and London. **MADI WALLACE** is an Associate in Brunswick's New York office specializing in corporate reputation management and financial situations.

ENRIQUE “RICK” HERNANDEZ JR. SERVES AS Chairman of McDonald’s and Chief Executive Officer of a security firm that employs 35,000 people around the globe. But what he especially loves to mention is a role that harks back to the nineties, when he served as President of the Los Angeles Police Commission, a civilian board established to oversee reform following the police beating of Rodney King in 1991.

“Of all the things I’ve done, I’m most proud of leading that commission,” says Hernandez. “Not just because I’m proud of the job we did, but because it was the achievement of which my dad was most proud: His own son had been put in that position and was responsible for something as significant as that.”

At that time, Enrique Hernandez Sr. was a retired LAPD officer and founder of a fast-growing company called Inter-Con Security Systems. “Even after my father had founded a very successful company,

A Director of McDonald’s since 1996 and its non-executive Chairman since 2016, Hernandez served for many years as a director on the Board of Nordstrom and still holds a seat on the Board of Chevron and the University of Notre Dame Board of Trustees.

He also long ago succeeded his father as CEO of Inter-Con, a privately owned provider of high-end security and facility support services to government, utilities and industrial customers. Hernandez earned a bachelor’s degree in government and economics from Harvard University and a law degree from Harvard Law School.

How has the responsibility of boards changed and evolved over the last 25 years?

When I started, the expectations for the board members were to really focus on the business. It was more internally focused. And your preparation and participation was more intermittent,

The veteran director has strong thoughts about the responsibilities of board membership. Brunswick’s **JAYNE ROSEFIELD** and **KEVIN HELLIKER** report.

CHAIRMAN

if somebody asked him what he did, he’d say, ‘I’m retired from the Los Angeles Police Department,’” recalls Hernandez.

Enrique Hernandez Sr. died 16 years ago, but honoring his memory remains paramount to Hernandez, and doing so requires something other than distinctive titles or record profits. It requires character. “I’m the eldest son,” Hernandez says. “I’d be sitting at his knee, so to speak, and he’d tell me, ‘Look, integrity, honesty, it’s the absolute foundation for everything. No one has use for a corrupt policeman. And the corruption starts with the first lie. You can’t restore integrity once you violated it.’”

Hernandez pauses. “I’ve always tried to live up to that.”

Hernandez believes that acting with integrity means not only avoiding lies but also sharing possibly unpopular truths. In the interview that follows with Brunswick’s Jayne Rosefield and Kevin Helliher, he demonstrates a willingness to do so.

OF THE

episodic. Boards would meet four, maybe six, times a year. Nowadays, it’s an expanded role and a much quicker, continuous environment. Being a director means understanding what customers and stakeholders are saying in real time, and being proactive rather than reactive.

Companies have to view themselves as global citizens, as national citizens—they’re responsible to a much broader constituency than only the



BOARD

Enrique Hernandez Jr.

McDonald's

shareholders. So, in addition to focusing on the business and understanding the regulatory framework you're operating within, it's delivering on those wider responsibilities.

Has that expanded role and accelerated pace altered a board's priorities?

At the highest level, I think the priorities are the same. To operate and be a strong business 25 years ago meant being a good corporate citizen. It's just articulated in a different way today.

But I would say the priorities or the attributes you would look for in a new board member have changed. When I started, there was a tendency to try and populate boards with CEOs or people who had business experience that resonated with the board. Now, CEOs on public companies can sit on only one board and you have to make sure that, given the demands on every company, each board member can bring something unique while also participating fully and prioritizing the board responsibility.

As the chairman and CEO of a family-owned security firm, how has your experience leading a private company guided your approach to sitting on boards of public companies?

One of the things that distinguished me as I joined boards was that I had a law degree, not an MBA. In a law firm, we made decisions by sitting around a table and honestly talking about a subject. It was collaborative, collegial. That was part of my background.

And there was also an entrepreneurial spirit. It's what inspired my father to start a security company, Inter-Con, after he left the LAPD. That was a value he instilled in me. I came into Inter-Con after years of practicing law, and then my younger brother came into it. Together we invested in Spanish-language television. And so we were the forefathers, if you will, of Telemundo. And my brother became CEO of that company, which was public.

I was able to compare and contrast his experience with mine. Frankly, I remember remarking to the people in Inter-Con how fortunate we were to be a private company and able to advance our business without seeking public capital markets support.

When I eventually joined public boards, I think I brought that family business background and entrepreneurial experience. I tried to ask, "Why can't we do that?" and think creatively about solutions and opportunities.

And I've tried to foster the collaborative spirit I mentioned from my time as a lawyer. What I still say within the boardroom today is that we need to have each person participate fully to realize the collective wisdom of the board.

I end each meeting, and have done so for many years, requiring each member of the board to speak to what's transpired. What caught their attention? What concerns arose because of something they learned in the meeting? What advice, or expectation, do they have?

That's not the common model, but I think it's the responsibility of each board member to be able to do that. I've heard of situations, and experienced them at different points in my career, where board members will sit quietly, then the CEO leaves and directors discuss some aspect of business, or talk about what the CEO didn't do, or what the CEO should be doing.

I've been chair many times in my career and I think it's often expected that the chair carries that water to the CEO. But I see it as a matter of courage really to do your responsibility: If you have something to say, you'd better say it to the CEO directly.

That's how we do it at McDonald's. It works well for us. It builds a confidence in the relationship and a confidence in the quality of the communication between the CEO and the members of the board.

You mentioned the importance of values in a family business, have you been able to bring that to your role on public company boards?

I certainly hope so. I've tried every day. It goes back to my father, who was a remarkable, remarkable person. He left home at 17, joined the US Army, served in Korea for four years, then joined the police department in Los Angeles. He was very proud of that. And he never stopped talking to me about the importance of acting with integrity.

What has been your most rewarding leadership experience?

I will go back to my father. He joined the LAPD in 1953, I think it was. Back then it was a pretty proud organization of 5,000 policemen responsible for a huge geographic area—a professional police department in an era where the term “professional police” really hadn't evolved. He retired 20 years later in 1973, when I was going into college. Fast forward again to 1992, and the Rodney King incident happened, where King was brutalized by police officers.

“THERE'S AN EXPECTATION [TODAY] THAT COMPANIES PERFORM A DIFFERENT AND GREATER ROLE IN SOCIETY.”

A year later, 1993, Los Angeles had a new mayor, Richard Riordan. And Mayor Riordan asked me to serve as president of the Los Angeles Police Commission, the civilian body organized to oversee and help reform the police department.

My dad passed away about 15 years ago. Of all the things I've done, I'm most proud of leading that commission. Not just because I'm proud of the job we did, but because it was the achievement of which my dad was most proud: His own son had been put in that position and was responsible for something as significant as that.

Boards are often faced with circumstances for which there is no playbook. How do you determine what's in the best interest of the company and its stakeholders when the path forward may not be clear?

We faced a situation like that at McDonald's not too long ago, in the aftermath of a CEO behaving in a way that had clearly violated McDonald's values. We terminated the CEO. But then, months after the termination, I received a complaint about additional conduct.

We conducted a further investigation and found that the former CEO had behaved in ways wholly inconsistent with our values, that he concealed from us when we terminated him. And so, we brought litigation against him to get the company's money back. If you look at how other companies have historically handled situations like that, it has been essentially to move on once a separation agreement is in place. There was no extensive track record of companies pursuing legal action against an executive who had been already separated from the company, to get back pay that they believed was improperly paid.

It was kind of uncharted territory. In our case, we asked ourselves, “What's the right thing to do?” And in answering that, you look at your values, your responsibilities to your colleagues, to shareholders and to society.

I'm proud of that decision that we made; I think we made it for the right reasons, trying to do the right thing.

And we've been transparent about it. Within McDonald's, I think that whether you're the newest or among the more tenured people, you have a right to understand the organization's values and how they're being applied.

For an organization to be at its best, people need to know that they're getting the true story, that they're respected enough to be informed properly.

You're chair of McDonald's and a director at Chevron. How did these respective boards react and adjust to COVID-19?

For all their differences, both businesses are global enterprises. Both saw their markets incredibly affected. Both focused on employee health and safety as they found ways to continue operating. So I participated in, and was able to witness, the true mettle of these companies.

It's one thing to help manage a company and maybe make a basis point difference here or there. Without being overly dramatic, this was a decisive moment for the future of these businesses. And I can say both were extremely well-managed during the crisis and continue to be.

It brought out the best and it made me very proud to be part of both. I don't know that every director can say that about how their companies responded. But I can.

Diversity on boards has been an ongoing challenge. Only 2.7% of board members at Fortune 1000 companies were Hispanic in 2019. The lack of diversity on boards has come under the spotlight again in recent months. Why do you think it's an ongoing challenge?

I think the challenge is around opportunity. We need to give more people the opportunity to be considered for more board positions, and we need to encourage candidates to demonstrate their full contribution across the board's agenda, not just in one area. Only then will we have truly diverse boards.

To give you a sense of how I approached it and was thinking about it earlier in my career: I believe that you have to devote some part of your life to charitable activities. So I joined the board of the Children's Hospital Los Angeles. And on the hospital's board was the nominating committee chair of Great Western Financial, a large savings and loan business in California.

I was a young guy. And at one point he came over after a board meeting for the hospital and said, "Would you ever consider going on the board of Great Western Financial?"

That many years ago, breaking into a company listed on the New York Stock Exchange was big. And what happened after that, at least in my case, was that once you're in the "big leagues," then you have opportunities to meet other people—it's an opportunity though, it's not guaranteed. Your work, your ideas, your performance, whether you're collaborative and well prepared—all those

"BUT I ALSO BELIEVE THAT I'VE SEEN SOMETHING ELSE IN BOARDROOMS OVER THE YEARS: BOARD TABLES AREN'T CREATED LEVEL. YOU HAVE TO EARN YOUR VOICE."

things are noticed. But that opportunity is what is critical to getting a foot in the door.

I later went onto the Nordstrom board, the McDonald's board, I've been on the Tribune board over time. And it started by doing volunteer work. My brother has had similar experiences on the boards he's served on.

Today, one of the ideas that Nasdaq has put forward is having specific targets for diversity in boardrooms. That resonates with me.

But I also believe that I've seen something else in boardrooms over the years: Board tables aren't created level. You have to earn your voice. And if you can't contribute on a variety of subjects or participate in a collegial sort of way, you tend not to earn that voice.

You know the old commercial, "When E.F. Hutton talks, people listen"? Generally, there are some E.F. Huttons around a board table. There are also the opposite, people who tend to have a weaker voice because they talk about only one thing—one-trick ponies.

Every business has some specialty component, and if you pick a director for a specialty—a regulator, for example—you risk them becoming so focused on one thing that they don't speak until that subject comes up, or they try and work that subject into something that's not necessarily connected closely with that.

What issues have risen up the board agenda? And which issues will rise or continue rising over the next decade?

Two come to mind. One is climate. Working climate issues into a strategy, and making everybody within a company a partner in the effort, is so important.

There's also an expectation that companies perform a different and greater role in society. How McDonald's views the world and our business is much more expansive than just making sure that the French fries are hot for the consumer—that's a caricature of the old model. Today, we're still going to make sure the French fries are hot, but we're going to also make sure we do it in a way that we're participating as a citizen of the world, and contributing toward the many, many communities where we work. ♦

JAYNE ROSEFIELD is founding Partner and head of Brunswick's Chicago office. She also leads the US Consumer Industries practice. KEVIN HELLIKER, a Brunswick Partner, is a Pulitzer Prize-winning journalist and Editor of the *Brunswick Review*.



How to LEAD

Leaders of many kinds fascinate **DAVID RUBENSTEIN**, author, TV host, private equity pioneer.

IN BOOKSTORES, DAVID RUBENSTEIN'S *HOW TO LEAD* STANDS ON THE BUSINESS shelves, which isn't exactly an injustice. The book does give a chapter each to Warren Buffett, Richard Branson and Indra Nooyi, among other business legends. But for most of its 31 chapters, author David Rubenstein ventures outside of the business world to interview leaders in sports, medicine, government, the arts and entertainment. In one conversation guided by Rubenstein, former US Presidents Bill Clinton and George W. Bush compare notes on life after the White House, their affection and admiration for each other palpable. In a rare appearance as interviewee, the greatest talk-show host of all time—Oprah—tells Rubenstein that her success reflects a deep affinity with her audience: She knows what viewers want her to ask. Mike Krzyzewski, coach of the Duke University and US Olympic basketball teams, summarizes his leadership experience for Rubenstein (a Duke graduate) in three succinct sentences, "I always wanted to be part of a team. I wanted to lead that team. And what an interesting life it is to be a leader." • If *How to Lead* is more than a business book, Rubenstein is more than a business leader. In 2016 he launched a television show—*The David Rubenstein Show: Peer to Peer Conversations*—in which he interviews leaders not as a journalist but as a well-credentialed fellow leader. The firm he co-founded in 1987, The Carlyle Group, helped pioneer the private equity industry, and his experience in the C-suite both informs his television interviews and reassures his interview subjects. "They know I'm not out for a gotcha," says Rubenstein. Launched on Bloomberg Television, his show now airs as well on PBS. Between the show and live events, he has hosted at venues like the Smithsonian, the Kennedy Center and the Lincoln Center for the Performing Arts, Rubenstein estimates he has interviewed 400 leaders. • *How to Lead* consists largely of excerpts from those interviews, though

By **KEVIN HELLIKER**

its 13-page introduction serves as a fine piece of memoir.

The son of a mail carrier, Rubenstein grew up in working-class Baltimore, standing out (in his own analysis) only for his curiosity and work ethic. Only a few years out of law school he landed in President Carter's White House, where he served as a deputy domestic policy advisor—"a job, needless to say, I was not really qualified to hold," writes Rubenstein, who seeks throughout the book to make a case for humility. "So, what were the attributes that enabled me to go from something of a nonleader in my first phase of life to a leader in the second and third?" he asks. The top factor he cites: "Luck."

The evolution to TV host was not Rubenstein's last. Two years ago, he published his first book, *The American Story: Interviews with Master Historians*. Last year he published his second book, *How to Lead*. This year he will publish his third, *The American Experiment: Dialogues on a Dream*, and for next year's publishing calendar he is writing a book about investing—which is also the topic of a second show he is launching on Bloomberg Television.

If a book a year sounds ambitious, it doesn't to Rubenstein. "My former boss Jimmy Carter has written something like 28 books. This year, I'll have three to my name," he says. One of the wealthiest Americans, Rubenstein is also one of the most generous. In a practice he calls "patriotic philanthropy," he has bestowed gifts in particular on institutions of American art and history.

Part of the charm of your book and your show is that you tell a lot of jokes on yourself.

I never want to embarrass the person I'm interviewing. But I try to make fun of myself in the context of interviewing that person. Some people can make fun of themselves, some cannot. John Kennedy was very good at self-deprecating humor. On TV or in press conferences, he was really good at making fun of himself because he was so secure.

In *How to Lead*, most of the leaders you interview are American. Is there anything distinctive about American leadership?

For roughly 100 years, Americans have thought that they were the most important people in the world. There's a certain amount of self-confidence that Americans leaders have. Often, they have the view that they are not only the best in the country at what they do but best in the world.

Maybe they are; maybe they aren't. Of those in

"FOR ROUGHLY
100
YEARS,
AMERICANS
HAVE THOUGHT
THAT THEY
WERE THE MOST
IMPORTANT PEOPLE
IN THE WORLD.
THERE'S A CERTAIN
AMOUNT OF
SELF-CONFIDENCE
THAT AMERICAN
LEADERS HAVE."

my book, Jeff Bezos built a world-class company, Bill Gates built a world-class company, Coach K's a world-class coach and Jack Nicklaus is a world-class golfer. From time to time, when I've interviewed leaders from outside the United States, they've said, "Maybe this is not as good as it is in the United States." Or: "This is as good as it is in the United States." They treat the United States as the gold standard for how you view certain areas of performance.

Did America's reputation as the gold standard take a hit during the pandemic?

Having 5% of the world's population and 25% of the deaths—that was a black eye to the United States. The effort for a while to minimize the threat, the lack of adequate healthcare—we did lose a lot of our international credibility.

But much of it I think has been regained in recent months. We came up with a world-class vaccine—a process that usually takes four to seven years—in less than a year.

Are there leaders whose performance during the pandemic stands out for you?

While he has been heavily criticized by some, I do think that Tony Fauci, the nation's top infectious disease specialist, did a spectacular job of trying to be accurate and letting people know when the president of the United States wasn't being accurate. He's been a real profile in courage. The person for whom he works, Francis Collins, who led the Human Genome Project, deserves credit for speaking truth to power during the pandemic.

The CEOs of Pfizer and Moderna did a spectacular job of getting all their horses marshaled to get a vaccine out in record time. It's just amazing what happened in the end.

In your interview with Dr. Fauci in *How to Lead*, we learn that you once tried to hire him. How did that come about?

His brother-in-law had worked at Carlyle. So, I got to know Tony Fauci before he was so famous. As he turned 70, I figured that like most 70-year-olds he would retire (even if I haven't at 71). Government employees used to have to retire around 70, if not 65.

I was talking to him about something or other, and I just threw out the idea that he could go into the private equity world as a kind of healthcare consultant, or advisor, or something.

He looked at me quizzically and said something like, "David, this is what I do. I'm not really interested



in money.” He did say he’d think about it. But after a couple days, he said, “I’m staying where I am.”

Are you glad now that he did?

He could have helped my firm a bit. But for the sake of the country, I’m glad. I reinterviewed him a couple weeks ago for something at the Kennedy Center, and he’s just such a modest, unassuming guy. A calm guy, even though he’s had a lot of death threats and needs security all the time because so many people have made him into such a terrible figure. On the whole, however, the American people have spoken, because wherever he’s introduced he receives a standing ovation.

In your book, you asked Coach Krzyzewski if his father had been a fireman. He said no, his brother was a fireman and his father an elevator operator. Why didn’t you edit out that mistake?

As I always do, I did a lot of research for that interview, and I remembered there was a firefighter in his family, and in my brain it was his father. But I’m not a smarty pants. I left that mistake in there to show that I’m going to make mistakes like anybody else.

The broader point, though, is that I like to get people talking about their families and their

In their conversation with Rubenstein, former US Presidents Bill Clinton and George W. Bush compared notes on life after the White House.

“IF YOU’RE NOT CONVERSANT ON SOCIAL MEDIA, YOU’RE PROBABLY NOT ADEQUATELY REPRESENTING YOUR ORGANIZATION.”

upbringings. One question in particular that I like to ask is, “Did your parents live to see your success?” If the answer is yes, that’s one of the great thrills of life, for both the grown child and the parent.

I was struck by something that (Saturday Night Live legend) Lorne Michaels says in your book: “If you’re in power, everybody knows it. So, you don’t have to explain you’re in power.” Is there a particular attitude toward power that characterizes great leadership?

Some leaders—business, political, whatever—are very insecure. They have to remind you how powerful they are, how smart they are, how rich they are. Those are the people in my view who aren’t great leaders. They don’t get people to follow them in an enduring way.

To me, the great leaders are people who know, as Lorne Michaels said, they have the power. They don’t have to show it or brag about it. The people that I’ve interviewed and the people that I admire tend to be those who have some humility and who recognize how lucky they are.

Now, you could say, for example, Donald Trump became president of the United States and he’s not a model of humility. And my impression would be

PHOTOGRAPH: STEWART F. HOUSE/GETTY IMAGES

that Napoleon wasn't a model of humility. And I suspect Alexander the Great wasn't a model of humility. But there are always exceptions to rules. As a general rule, I think that you're more effective if you're humble, and that you should be humble because you had a lot of luck to get where you are.

If you could magically interview three historical figures, who would they be?

First you'd have to explain the concept to them, because interviewing people is a relatively new concept. That's why we really don't have transcripts of George Washington, Henry VIII or Julius Caesar being interviewed.

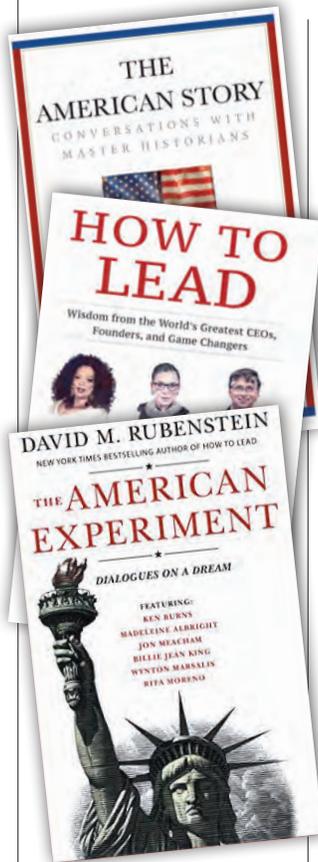
That said, I would choose Abraham Lincoln, because I think he was the greatest president. I would love to ask William Shakespeare, "Who really wrote those plays? How come you don't get enough credit for writing them all by yourself?"

Julius Caesar would be wonderful to interview. Alexander the Great, Cleopatra.

In terms of people who are alive today, Queen Elizabeth doesn't give interviews, so that's not realistic. The Pope would be a great person to interview. Xi Jinping I've met many times, but I couldn't say I've had the chance to interview him. Vladimir Putin would be an interesting interview, though I don't know whether I would learn that much.

Do business leaders today need to communicate more than in the past? Should they be addressing employees and other stakeholders on social media?

If you were a business leader, it used to be you'd make a couple of analyst calls once every quarter, make



In 2021, Rubenstein is publishing *The American Experiment*, his third book in three years.

As Chairman of the Kennedy Center, Rubenstein, top left, oversees its annual event honoring lifetime contributions to culture and the arts.



a few speeches, appear at a few trade shows. CEOs were generally publicity shy because they didn't want to say anything wrong; they didn't need publicity. They would do it through conventional channels.

As CEOs like Jack Welch became rock stars outside the world of business, and as entrepreneur/inventors like Bill Gates, Steve Jobs, Mark Zuckerberg, Elon Musk and Jeff Bezos became rock stars, they had to develop communication skills. Those who are best known now are those who really learned how to do that, and who learned that if you want to get your message out, you had to go not only through the traditional channels but also social media channels.

My children, for example, are pretty well educated. They went to Harvard, and Stanford, and Duke. But when I ask them where they get their news, it's LinkedIn or Facebook. I was kind of stunned. But they're probably typical of their generation. They're in their thirties.

So, if you're not conversant on social media, you're probably not adequately representing your organization.

I don't have a Facebook page myself, and I'm not a member of LinkedIn. One regret I have is that when Mark Zuckerberg was in college, my now son-in-law wanted to introduce me to him to invest with him. I could have had, like, Facebook account number 25 or something. Maybe I am not on Facebook because I regret having turned down the investment. Or maybe I'll get on Facebook before too long, too. Who knows?

I got on Twitter a week ago and I have something like 37 followers. Kim Kardashian has something like 72 million. I was always afraid of those comparisons. (Laughs).

Going forward, to what extent do leaders need to try to serve the interest of stakeholders in addition to shareholders?

If you don't worry about stakeholders in addition to shareholders, you're not going to be CEO very long. The world has shifted. If you don't adapt, you're going to be a fossil or a dinosaur.

Obviously everybody's happy when your stock price goes up. But if you're doing things that are seen as discriminatory, if people don't want to work with you, if you're despoiling the environment, your stock price will go down. In the 1950s, '60s, '70s, '80s, people only really worried about shareholder value. It's a different world. ♦

.....
KEVIN HELLIKER is a Pulitzer Prize-winning journalist and Editor of the *Brunswick Review*.



A WINNING CULTURE

THE LAST TIME I PLAYED RUGBY ALONGSIDE Rob Baxter, we trudged off the pitch exhausted and caked in mud, our side having lost narrowly in the Devon under 19s county cup final.

Playing for our sixth-form college team in front of a small crowd on that rain-drenched evening at the County Ground, the then-ramshackle home of Exeter Rugby Club, was to be a highlight of my rugby playing days.

Baxter, on the other hand, would go on to captain Exeter as the club made a gradual ascent from the third tier of English rugby, successfully navigating a tricky period when the sport turned from fully amateur to professional. And then, as head of the coaching team, he would lead the side into the top league, the Premiership, to become champions of England and Europe.

It is one of the most unlikely sporting success stories. The equivalent in soccer would be a club such

ROB BAXTER,
Director of
Rugby at Exeter
Chiefs, explains
how a shift in
culture helped
to turn his team
from plucky
underdogs into
the champions
of England and
Europe in 2020.

as Le Havre in France or Duisburg in Germany winning the Champions league; or in American football, the Arizona Cardinals becoming serial Super Bowl winners.

Because as we were growing up in the 1980s, Exeter was very much a backwater in English rugby.

Our schools focused on soccer, so from around the age of 10, Baxter and I went to the only youth rugby club in the city of over 100,000 people and we still struggled to get enough players together on frosty Sunday mornings. We would go to watch rugby powerhouses such as Bath and Leicester play their second or third teams against Exeter and inflict heavy defeats. And when the Australian national side came to play at the County Ground in 1984, we could easily spot ourselves on TV in the sparse crowd. (As rugby fate would have it, I ended up playing against some of that long-retired Australian team in a Hong Kong tournament years later.)

From a sheep and cattle farming background,

Baxter, 50, puts Exeter's rise from relative obscurity down to a strong work ethic, and an evolution in organizational culture over several years, which turned the club from brave underdogs to feared and respected champions.

"The highest skill in leadership, team building and culture, is being able to read the scenario," Baxter said. "You can't just go through all these steps in a two- or three-month period. I look back and think, we really needed the time, that was a big thing."

Survival by Grace

The goal Baxter had as a coach when Exeter first climbed into the Premiership in 2010 was to ensure survival with largely the same group who had played at the lower level, while the club maintained strict financial discipline. Only by staying in the Premiership for three or four years would Exeter begin to receive from the league the level of pay-outs that established top clubs benefited from.

"There's nothing positive about saying you're going to avoid finishing last, and yet I was watching other teams say these things," Baxter recalled. "We made a decision to not talk about relegation, but to talk about all the good things we could get out of the year. We wanted to improve and get something out of every game. So we always managed to create a positive spin."

To synthesize this approach, the coaching team pinned signs proclaiming "ACE" around Exeter's new ground, Sandy Park, standing for "attitude, commitment, enjoyment." A year later, it grew to "GRACE" with the addition of "graft [hard work] and respect." The culture was based on making the very most of the areas that were in the team's control, for example, the intensity of training, ultimate fitness and retention of the ball for as long as possible, which could mean curbing adventure and risk-taking on the pitch.

The coaches imparted on the players that if they had worked hard during the week and played out the game plan at the weekend, "we can put our arms around each other in a huddle at the end of the game, and say we've done the best we can do, and we can move on," Baxter said.

"We can celebrate if it's good, but we won't get too down on it if it's bad," he added. "And that creates the kind of protection for what could be a fragile group if you are just based purely on avoiding relegation, which initially was our challenge."

Exeter surprised many by winning 10 matches in their inaugural Premiership season and finishing in 8th place of 12 teams, which remains their lowest placing over the last decade.



**EVERY PLAYER
NEEDED TO
UNDERSTAND
THEIR INDIVIDUAL
IMPORTANCE TO
THE TEAM, THE
RESPONSIBILITIES
ASSOCIATED
WITH THAT,
AND HOW TO
MAXIMIZE THEIR
CONTRIBUTION.**



Playing for the youth rugby team in Exeter, circa 1981, Rob Baxter, back row, far right, and the author, front row, far left.

"It's All About ME"

The coaching team became known for a canny ability to spot potential in players in lower leagues or those who were rejected by other clubs, while taking the time to develop them into top performers. But Exeter also built a strong academy of up-and-coming young players, and a highly talented group—including Henry Slade, Jack Nowell, Luke Cowan-Dickie, Dave Ewers and Sam Hill—graduated from this system as the Club established itself in the Premiership.

Baxter sensed it was time for a change in tack and had one-on-one meetings with his players to discuss adopting a new approach to team culture.

"If your recruitment is good and your academy works well, you start getting players who want a bit more than being this kind of plucky team that wins more than people expect," he said. "History shows that those players migrate—whether it's in football, rugby, American football—to successful teams. And I wasn't going to stand here and go, it's OK to lose. Sooner or later, one, two or three of them would say, Leicester and Wasps seem to be able to win trophies, I want to do that and play for England."

After engaging with players on their personal goals and motivation, the "GRACE" signs were taken down and the team adopted "It's all about ME", broken down into three sub-components: My Energy, My Emotion, My Enjoyment.

Every player needed to understand their individual importance to the team, the responsibilities associated with that, and how to maximize their contribution. The idea was for the team to set ambitious goals and push each other to meet them.

"What would happen before was that it was kind of OK for the odd guy to be the weakest link of the chain, because if we lost a game, the team would look after him," Baxter said. "But that's almost the opposite of what you want. You want the team to set higher standards and demand more. You need everyone to understand there's nothing wrong with demanding more."

"The key isn't saying I expect you to work hard, it is to get the person to understand how important they are to the success of the team, and actually to want to be that person who's really important," he added. "We had to give people the 'why'. Why should I be the one who works flat out, when I can see that guy over there not doing the same? If you can get the guys to break that cycle, you're straight away on an upward curve."

And while the emphasis moved away from the collective to focus on the individual, the concept of "care" for teammates became central to the theme of

taking full responsibility for performance—despite being met by nervous smiles when originally introduced by Baxter to his squad of 45 players.

“If you’re a teammate of mine, if I care about you, in a sporting environment, I should train hard, get my diet right, do my weights, learn my calls, learn the patterns for the plays we’re going to use this week, do my preview on the opposition, be diligent,” Baxter said. “You have less chance of winning if I don’t do that. And as a teammate of mine, I should have the expectation that you will do the same. And so that’s how you care for each other, and that’s what makes you important.”

The shift in culture helped to catapult Exeter to the very top of European club rugby. The team have competed in the Premiership final in each of the last six seasons, winning it twice, and beat French side Racing 92 in a tense European final in 2020. Baxter received the honor of OBE (Order of the British Empire), after originally thinking the email was a prank, and is widely tipped as a future head coach of the England national side.

Legacy and Community

The challenge now is to continue to motivate a team that has already won the biggest prizes, and to create a legacy of sustained success. Baxter has been researching the New England Patriots and sitting with his squad to watch behind-the-scenes videos of the NFL team.

“One thing you see is when they’ve won back-to-back Super Bowls, individuals have had great seasons. And when two or three players have great seasons, it really motivates the whole side,” Baxter said. A prime example is Exeter forward Sam Simmonds, who has been overlooked by England coach Eddie Jones despite setting a league try-scoring record this year, but picked to represent the elite British and Irish Lions team to tour South Africa in July and August.

“You can almost see the team growing with Sam and driving him,” Baxter said. “We have talked quite a bit about how to live success through each other as a team. If I’m successful, I’m helping you be successful. And if you’re successful, I live part of that success with you. It’s a genuine thing that they can express joy and emotion and success through each other.”

A poll of player agents conducted in 2019 placed Exeter as the favored destination for players in the English Premiership, with one agent quoted as saying: “The culture that Rob Baxter has created there is a massive pulling factor,” while another polled said that there’s “a chance to win, there’s great coaching and they make you a better player.”



12 O’CLOCK HIGH ...

is one of Rob Baxter’s favorite films. The 1949 movie starts with a highly popular group commander whose men are losing several planes on every sortie and running dangerously low on morale. He is replaced by a stricter, colder man, played by Gregory Peck. The new commander isn’t popular—he orders the bar closed and arranges extra practice in formation flying—but he is highly effective. Peck’s character continues to fight the temptation to be chummy with his aircrews.

As Exeter Chiefs established themselves in the Premiership, Baxter has made a similar transition himself. As his relationship with players evolved, he urged them to watch *12 O’Clock High*. “You fly in formation, you protect each other, that’s what it’s like on a rugby field,” Baxter said. “Which formation do you want to fly in, where it’s OK to turn up late, OK not to train that hard, but you might get shot down? Or do you want to be in this one—where the responsibility is on you to know your roles, you get your training right? It’s about responsibility and caring. Some people think caring is lovely—it’s not always nice.”

However, Baxter admits it took time for his squad to buy into the change in culture at Exeter in recent years. Some players never did and have left the club.

“In the background of all this, as a leader you have to start with an expectation that people are good people,” Baxter said. “If you don’t start with that, there is no process you can put in place that will work. And then, you have to be prepared to be disappointed, sometimes on the journey as someone changes, and sometimes by people. An unwavering ability to be disappointed by some people is actually what will let you thrive and get the best out of people.”

Baxter, who I remember as a powerful presence on the pitch and a thoughtful voice in the changing room, talks frequently about a good coach and leader needing to be “emotive,” to be able to connect on an emotional level with a team, rather than “robotic and all about process”.

We think back to our former coach in our youth rugby days, Michael Browning, who now has a street in Exeter named after him for his contribution to the community. He kept our interest in rugby alive for years, visiting in the evenings to talk with our parents, and driving to our homes in the early morning in his rickety fishmonger’s van, making sure we could muster a full team for matches.

“Mike popping around Exeter in his van picking us up every weekend, when you think about it, it was incredible,” Baxter remembers. “He used to pick us all up, take us all around Devon, drop us all home. Incredible wasn’t it?”

What I also find amazing is that Exeter Chiefs have developed strong relationships across the region, and have become a focal point for communities. Some of the relatively obscure Devon clubs we used to play against as kids—Teignmouth, Ivybridge and Tiverton—have spawned current Exeter Chiefs and England international players. The college team Baxter and I played for on that damp evening in 1989 is now part of the academy system.

“The opportunity for career rugby is very slim, but the qualities of being part of a team and the enjoyment you can get out of rugby is there for everybody,” Baxter said. “That’s why I worry about what the pandemic might have done and how many clubs might be able to keep going. I don’t think it will impact the professional sphere, but there’s an awful lot of good that goes on, and a lot of people who find a place in life through sports like rugby.” ♦

DOMINIC WHITING is a Partner with Brunswick based in Abu Dhabi. He has worked for 20 years in financial communications and journalism and is a specialist in the areas of asset management and real estate investment.

OSCAR MUNOZ BECAME CEO OF United Airlines in 2015, following 10 years as a member of the parent company's board. He brought a diverse background to the role, having held senior positions at telecoms Qwest and AT&T, consumer brands Coca-Cola and Pepsi, and freight transporter CSX. He was also the only Latino CEO of a major airline and one of only two among the Fortune 100.

Munoz took the helm at one of the most challenging points in United's long history. When he took over United, three of its senior executives had abruptly left as a federal investigation was unfolding over the company's dealings with New York Port Authority officials. Shortly after beginning his tenure, Munoz suffered a heart attack and was forced to undergo a heart transplant, raising further anxiety about the airline's future. Remarkably, he was back to work barely a week after emerging from a 12-hour surgery.

But the company's challenges didn't stop there. In 2017, a passenger video widely circulated on social media showed a passenger being dragged off an overbooked United Airlines flight by security. Within days, Munoz publicly apologized and announced a comprehensive plan to avoid any such situation in the future. He embarked on what he calls "a contrition tour, all over the world" to take ownership of the mistakes made and restore the company's reputation.

Over his four-year tenure, Munoz led United out of a period of disarray and decline back to its

United's former Executive Chairman and CEO talks to Brunswick's **JAYNE ROSEFIELD** about managing the airline's turnaround and hard-won lessons of leadership.



OSCAR MUNOZ



respected position as one of the world's premier airlines, with strong operational and financial performance. He introduced a culture of caring at the company, with a genuine commitment to listening to customers and employees.

Stepping down in 2020, he transitioned to a one-year term as Executive Chairman, playing a key role in shaping United's business and culture during yet another challenging period. He left the company "in much better shape than the day he took the job," according to CNBC, passing a stronger, more resilient

Oscar Munoz, former CEO and Executive Chairman of United Airlines, was the first Latino to lead a major airline and one of only two in the Fortune 100.

airline to his own chosen successor Scott Kirby.

Brunswick Partner Jayne Rosefield spoke with Munoz about his time as United CEO, the lessons he has learned over his career, and his views on the current challenges for corporate leadership in general. While he values decisiveness and a "proof, not promise" approach to leadership, he also seeks to empower individual employees to make critical decisions in the moment. Above all, he emphasizes the need for listening and sincerity to gain the trust of employees, customers and, ultimately, shareholders.

Shortly after becoming CEO, you embarked on a listening tour. What inspired that decision?

I would definitely recommend that. Find out what is really ailing the company. There's always reams of information from your consultants, from your senior leadership, from the street, and there's always folks telling you what they think you should do.

What we quickly learned is that our people had become disengaged, disenfranchised, disillusioned about their role. In a business that is all about people-to-people service, you just can't have that. At the end, I asked a flight attendant, "What are the issues that are troubling you?" She broke down in tears and she just said, "You know what? I'm just tired of always having to say I'm sorry."

That just really crystallized for me that our first step was going to have to be regaining the trust of our own employees. They need to trust us to provide them with the tools to provide the service that all of you have come to know from United.

When you're CEO, there are so many things that just don't come your way on their own. As has been noted by leaders of every stripe, easy problems will be solved earlier in the chain of leadership. People naturally try to put them in pockets where they'll fix them before they get to you. They don't want to bother you. When you speak to people directly, you find out some of those things. Collectively, those occasions build a level of trust so that when someone does need to talk to you, they can look forward to that conversation. It takes time, for sure. But we can make the time.

This is something I do normally. I was raised to be very focused on listening. Then you learn from what you've listened to. Only then can you act or lead. It doesn't take a lot of time to find some people who are affected or are going to be affected by something and say, "Hey, what do you folks think about this?"

Not every problem is one you need to fix. But you listen, and then say, "I hear you. I haven't heard the other side of it, so let me go figure that out." You have to hear both sides of the equation. Listen. Truly listen. Learn from that. And then lead.

Footage of a passenger being removed from a United plane in 2017 received national coverage and cast United in a bad light. What did that experience in particular teach you?

That you can't let policies and procedures get in the way of doing the right thing. I mean, it's just as simple as that. To be sure, there were so many complicated circumstances surrounding that issue; but, at the end of the day, what we all witnessed take

"WE FLY
160 MILLION
PEOPLE TO
70
DIFFERENT
COUNTRIES, 24/7.
WHEN THE
UNPREDICTABLE
HAPPENS, THAT'S
THE MOMENT
FOR OUR
EMPLOYEES TO
SHINE."

place will inevitably come to represent you and your brand, and you need to deal with the negative public emotion and reception to that—squarely, honestly.

What you need to do quickly after that is react to it in the best way, the most truthful and most genuine way possible. There are ways to spin your way out of certain things. That's not who we are as a company and that's not who I am as a person. So when we went live on TV a couple days later, I just took ownership of it. We laid out 10 things that we were going to do in the next 30 days to change the trajectory and how we were going to work through it.

I never want to shy away from this question because I never want us as United Airlines to forget that that can easily happen. We fly 160 million people to 70 different countries, 24/7. When the unpredictable happens, that's the moment for our employees to shine; it's our responsibility as leaders to give our people the freedom to apply our values and do the right thing in the moment.

But responding quickly, taking ownership, being honest, drawing up an action plan—those are the things we did right at the time.

How did your employees, especially front-line crew, respond?

You know, it's taken some time. There are still pockets who would have wished that we had said more about the fact that it wasn't actually United Airlines employees who did that; it was another organization. Our employees would have liked to have felt more protected, defended. Why did we have to take all that grief? But as a result of the way we handled it—at first it was very significant news, but then it very quickly began to dissipate. Every conversation since then has been handled directly. It is important you just own it and move forward.

On any issue, the answer's always the same. Listen. Get the facts. Make the decision to own this or not. And when you own it, just own it fully. Let it be a learning moment for a lot of people, for the rest of their careers.

As a leader, how much of a role does preparation play—crisis playbooks, scenario planning, et cetera?

It's critical. When you have a crisis, you can't stop and wait to identify who's going to be in charge of this or that. When we made the decision to pull the Boeing MAX product down, I think five minutes passed and those planes were either grounded or, if they were in the air, grounded as of the next time they landed. That was the result of preparation. It

happened on a weekend. No crisis ever happens in the middle of the day when you're all in a room and you can manage it.

You have to lay out the structure and the levels of hierarchy and who makes decisions around what. If for some reason I'm not around, the next person in line makes that decision. And we give each other *carte blanche* to go do those things.

The other thing to remember—I used to work in a railroad organization where there were accidents sometimes. The first thing that you have to do is respond in public in a genuine, heartfelt way. If there's anybody injured or hurt in any way, you deal with that first. Plain and simple. We would say: We broke it, we fix it. No question, no other thought. You just get it done. And you give that clout, that authority, to all your employees.

When you reflect on your time as CEO and then Executive Chairman, are there any achievements of which you are particularly proud?

I think it would be the impact that as a leader you're able to have on another human being. Not

**“NO CRISIS
EVER HAPPENS
IN THE MIDDLE
OF THE DAY
WHEN YOU'RE
ALL IN A ROOM
AND YOU
CAN MANAGE IT.”**

Then-CEO Oscar Munoz speaks to United employees in a cut-out cabin during an emergency training session in 2018.

on a set of 100,000 human beings, which was the total number of employees in the company, but an individual person who just feels better about where they come to work because of you.

We are definitely leaving this place, I am leaving it, in a much better place than I found it. More importantly, the people who work here feel the same way.

How did your upbringing influence your approach to leadership?

I grew up with eight brothers and sisters—immigrant family; Mom and Dad, blue collar. We had a lot of love, not a lot of money. From a leadership perspective, you learn to share. You learn to collaborate. You learn to have empathy for others. Silly things like who uses the restroom first. You just need to understand and learn that you can't just demand things.

As a Latino household, the concept of *familia*—family—is an important one for us. It's really just caring for a lot of folks. I've dubbed our United organization my United family, our family. The new spirit of United is all family oriented.



PHOTOGRAPHS: PREVIOUS SPREAD, JIM YOUNG/BLOOMBERG VIA GETTY IMAGES; RIGHT, JOE AMON/THE DENVER POST VIA GETTY IMAGES

You've been called by CNN the living proof of the American dream. What's your advice to those people who face an uphill climb in realizing that dream?

It's the same advice that I had for myself and that is, it's not fair.

One of our pilots, Bill Norwood, was the first Black pilot at a major airline years ago. He grew up in the Deep South with segregation. He said a classic thing: "I grew up knowing that I would have to work twice as hard to get half as far." And that always stuck with me. It's not as harsh as it once was, but we have to accept that for all of us—women or people of color or LGBT—there's still a bias in the world. You just have to recognize that. There is a degree of working harder that has to be done.

You can say, "Well, that's not really fair—shouldn't it be equal?" Yes, it should be. But it isn't. Not yet. The best way—the only way, in my mind—to further things like diversity and inclusion and equity if you're an under-represented person, is you just work your ass off. You do the right things for the right reasons. At the end of the day, all of us have to provide a business rationale for the concept of DEI.

I tell other major company CEOs, hey, did you know that of your growing customer base, X% is tied to this Latino cohort? I'm not telling you to hire more or communicate more. But you should know that this is a growing cohort. Then it makes business sense for them to act. I think people tend to listen to that a little bit more.

Also, the diversity of thought at the top has to reflect the diversity of your workforce. A lot of studies have found that companies that apply that benefit more, benefit their customers and their shareholders more. We operate in 70 different countries. So diversity has never been a big issue at United, necessarily. At our senior-most ranks, I think we've made a lot of progress. But there's always, always more to do.

What role do you think business leaders have in driving solutions to problems like bias or inequality?

The role of a CEO, of a leader in today's world, has changed. There's still much debate on whether CEOs should take a stance on issues of politics or community, race, social issues of any sort, because, some say, it has nothing to do with your brand. But silence is also a message. By staying silent on issues, you're speaking volumes about who you are, about who your company is, and about your brand.

**"SILENCE IS ALSO
A MESSAGE.
BY STAYING SILENT
ON ISSUES,
YOU'RE SPEAKING
VOLUMES
ABOUT WHO
YOU ARE, ABOUT
WHO YOUR
COMPANY IS,
AND ABOUT YOUR
BRAND."**

My approach has always been: Don't make it political. Make it more personal. If people understand why you're taking a stance, they may not agree, but they will see there was merit behind your comment.

The Parkland shooting that happened a couple years ago. The 14-year-old daughter of one of our pilots was killed. I went to visit that family on a Sunday afternoon. I sat with Mom and Dad and her little brother and their dog. It's just a sentiment—no one truly sees, no one understands, no one hears until you get your butt out there to do that.

Then at the funeral, there were hundreds and hundreds of uniformed flight attendants and pilots. Not just from United. From everywhere. The conversation at that funeral was, "We've got to do something about this." We took a stand on a discount that we gave to an NRA convention—not a big stand, really. But the feedback, if you will, from the NRA was pretty brutal.

It's again about listening. It ain't political. It's damn personal. It was the right thing to do for my United family.

I believe in proof, not promise—the proof of what people have done to change things. Over the course of this last year—the pandemic, social inequality, the issues of last summer with George Floyd—the business community has stepped up, with actions that have been taken, conversations that have happened inside those rooms, like Business Roundtable and Business Council, the top CEOs in the country, managing through this and dealing with it.

It's always a journey, a long way to go. But now if you're a CEO and you're not taking the right steps on certain situations that affect your customers, your employees, your community, I think that silence will be heard even louder than saying anything.

Climate change is a current, ongoing issue for CEOs in the airlines sector. How do you see that challenge?

I think United's been a leader on this, certainly in my time as CEO and my successor's time. If a company in our industry and a business like ours that burns a lot of fossil fuels doesn't wake up and figure out how to do actual things, not financial engineering and paperwork, but actual actions to reduce emissions, then we're putting ourselves at greater risk. Sequestration and increased funding, R&D funding for sustainable aviation fuel—I think United has been the leader in doing all that. And also influencing the industry—not chorusing, not

shaming. But strongly influencing a lot of other CEOs in the airline industry to create a demand for alternative fuels.

Again, as with the issue of DEI, it's not only selling on the human side of it but the economic side. Fuel is one of the biggest and most volatile costs for an airline. A sustainable aviation fuel that would not have the price fluctuations that you have in the oil business, that would be a huge boon. All the pipelines and refineries everywhere, that's an infrastructure that has to be built for alternative fuels. The sooner we get started, the better.

Diversity on boards has been an ongoing challenge. Only 2.7% of board members for Fortune 1000 companies were Hispanic in 2019.

Are you seeing change?

Yes, diversity on boards has been a topic for quite a long time. And there's been movement. Glacial, some would say. I probably agree. But progress has been made.

The argument often is, we were looking for this and we couldn't find it, so we reverted back to our normal mechanism of finding the right person. There's some truth in that, but the added step I would suggest is to find those up-and-coming folks.

My example is a good one. When I joined the Continental Airlines board back in early 2000s, I had just become a public company CFO. Not even a year. The people that ran Continental Airlines saw me as someone with financial expertise in a transportation industry, experience with unions, and just happened to be Latino. So I got onto a board fairly young and fairly early in my tenure. And that led me to become the CEO.

So, to correct the situation, you may have to take a little bit of chance on someone. If the pipeline you put out there isn't quite being filled, well then go to the next level of leaders from that space and you'll be fine. We have to quit the excuses. Go a little deeper and take a little bit of a chance.

You hired the person who wound up succeeding you as CEO, Scott Kirby, and he credits you for his leadership training. What's your advice for any CEO looking to groom their successor and really set them up for success?

Find someone and groom them for success. The true mark of a leader is a very seamless succession path. Leaders should be judged on their ability to create not one, but a couple of different successors of diverse backgrounds. They don't have to be like you and, in fact, it's probably better that they're

**"I BELIEVE
IN PROOF, NOT
PROMISE—
THE PROOF
OF WHAT PEOPLE
HAVE DONE
TO CHANGE
THINGS."**

not. Scott Kirby and I are very different people. He learned parts of my strength; I learned from him, parts of his strength. And the two of us together made for a very good team.

Do you think people's response to the pandemic is changing how they approach work?

It clearly has shown senior leadership that categories of work that we thought could never be done out of the office indeed can be. Of course, you can't forget that people need people. We're human; we're social animals by our very nature. As things start to open up and people see each other, there's just this degree of delight and togetherness that makes us feel better. So there'll be a hybrid aspect of it for sure.

But above all, the pandemic has just taught us how resilient we can be. If you think of how quickly the whole nation, the whole world reacted to this and how we've kept life going to some degree—that has been interesting to watch.

What are you most looking forward to as we come through the other side of the pandemic?

The good and kind encounters with passengers that I experience on our aircraft. The entitlement that some people felt to get to certain places at a certain time—all that stress has been lessened, as we've recognized and accepted the power of forces beyond our control. The world has been level set, in a way.

When I first started with the company and I was being interviewed at the Economic Club here in Chicago, I was asked what advice I would give to travelers. I thought about it for a second. I said, "You know what? A little empathy wouldn't hurt." If the person in front of you is moving slowly, probably there's a reason they're moving slowly. Maybe it's going to add two minutes to your time, but being patient is the right thing to do.

What you see on aircrafts now with both our employees and passengers is just this kind of more fun nature. Everybody's more relaxed. People talk to each other. People help each other with bags. That spirit of caring for one another and empathy, I hope that continues.

Is there any one United destination that you're most excited about traveling to?

I can't wait to get back to South Africa. Cape Town is just a lovely place. ♦

JAYNE ROSEFIELD is founding Partner and head of Brunswick's Chicago office. She also leads the US Consumer Industries practice.

Rebel QUEEN

IN MARCH OF 2020, A GOOGLE VIDEO TEAM FLEW to Dallas to film a segment on a Latina cosmetics startup called Reina Rebelde (“Rebel Queen”). Its founder, Regina Merson, was a University of Chicago-trained lawyer who had dropped out of Big Law to pursue a passion she had nurtured since her childhood in Mexico, where makeup is worn bold and glamorous. Convinced that Latina women represented an underserved market in America, Merson launched the business out of her home in the autumn of 2016, making such a splash using digital ads and social media that before long Target and Walmart asked her to place Reina Rebelde products on their shelves.

Now, in a major coup, Google had decided to highlight Reina Rebelde in a video illustrating her success using digital marketing tools. “It was going to be a whole weeklong project,” says Merson. But no sooner had the crew arrived than the pandemic forced its members to return home. Instead of winning loads of new customers from the Google video, she now pondered a terrifying question: Could a

At first,
REGINA MERSON
thought
mask-wearing
would cripple her
cosmetics
startup.
But it turns
out that Latina
women wear
lipstick even in
a pandemic.
By **AMY KOCH.**

startup whose flagship product was lipstick withstand a prolonged period of mask wearing?

Through deft leadership during the pandemic, Reina Rebelde has survived. Speaking to Brunswick’s Amy Koch from her Dallas home, Merson describes the past year (during which she also gave birth).

What did the pandemic mean for your business?

When it hit, I cried for probably a week. I just said, “It’s over. No one’s going to buy makeup.”

I’m sure you’ve heard of Leonard Lauder’s Lipstick Index, which shows that cosmetics sales rise during hard financial times, because lipstick is an inexpensive indulgence that gives you a bolt of energy. But from the start of the pandemic, I was concerned that lipstick sales wouldn’t rise this time. Not with people wearing masks.

My entire 2020 plan went out the door. In a way, we decided to just shift away from selling makeup. It didn’t seem like the right moment to be saying, “Look, I’m going to give you a shade you never knew you needed.” Our brand is supposed to be



As a child in Mexico, Regina Merson learned about makeup from her mother and grandmother.

about making you feel good about yourself, and at that moment it was important to be sensitive to how our community was feeling. We had people we work with—influencers, content creators—who just stopped responding, who went dark for months at a time. They needed a break from it all.

So as a brand we pivoted to: How can we show up for our customers, our community? What do they need from us? A lot of the people who buy our products are front-line workers. We donated sales and money to causes like One Fair Wage, which was trying to fill in the gap between unemployment and what restaurant workers, for instance, would have been making. As a small brand—I'm not Jeff Bezos, I can't write a million-dollar check to various organizations—we gave a lot of thought to where we could make the most impact.

But we struck a balance. Some people were tired of hearing about the pandemic. Some of them would rather us post an eyeliner tutorial, so they could imagine what their life's going to look like when all this is over. By giving them those escapes, on Facebook, on Instagram, we kept them engaged.

In the end, from a revenue perspective, we had our best year.

You took the focus off selling makeup—and had record revenues?

Yes. It helped that our core customer, a Latina woman, wears makeup even when she's not going to leave the house. That's part of our culture. I grew up watching my mother and grandmother sit before a mirror putting on makeup even when they weren't going anywhere. During the pandemic, whereas other people were baking bread, a lot of our customers were doing makeup videos.

It's also worth noting that, while many women generally tone down their makeup as they get older, women in our community wear makeup in their 60s and 70s—a lot of it. My mom still wears purple lipstick. She's 70.

You talk on your website about identity and duality—English, Spanish; Latina American, American. How do those dualities influence how you run your business?

One of the main tenets of the brand is to be unapologetic about how those dualities present themselves and also how messy they make our lives. I never fit in any clean way into any of my life chapters, school or law school or being a young female attorney at a law firm. Being between and betwixt identities and cultures made my life very complicated.

"WE MAKE SURE THAT THE BRAND DOESN'T TALK DOWN TO THOSE WHO DON'T SPEAK SPANISH FLUENTLY."

But I embraced that messiness, and our brand is for other people who have embraced complication about their identity. That has translated in the way we hire people to do our creative work, or to work with us in whatever capacity. We're always looking for people who have struggled with that duality and made something good out of it, and we have a strong emphasis on bringing women's stories to light.

These women tend to be women who have struggled around the dualities of being Latina in the US, starting one career then changing to another, the mix of languages. We embrace and accept the messiness. No judgment. For instance, many young members of the Latinx community who are not native Spanish speakers feel a lot of shame around not speaking Spanish fluently. We make sure that the brand never talks down to those who don't speak Spanish fluently.

We also partner with makeup artists that a lot of the bigger brands would overlook. Where traditional brands would want someone that's safe, we always end up with the not-so-safe option.

How do you communicate your company values to potential customers?

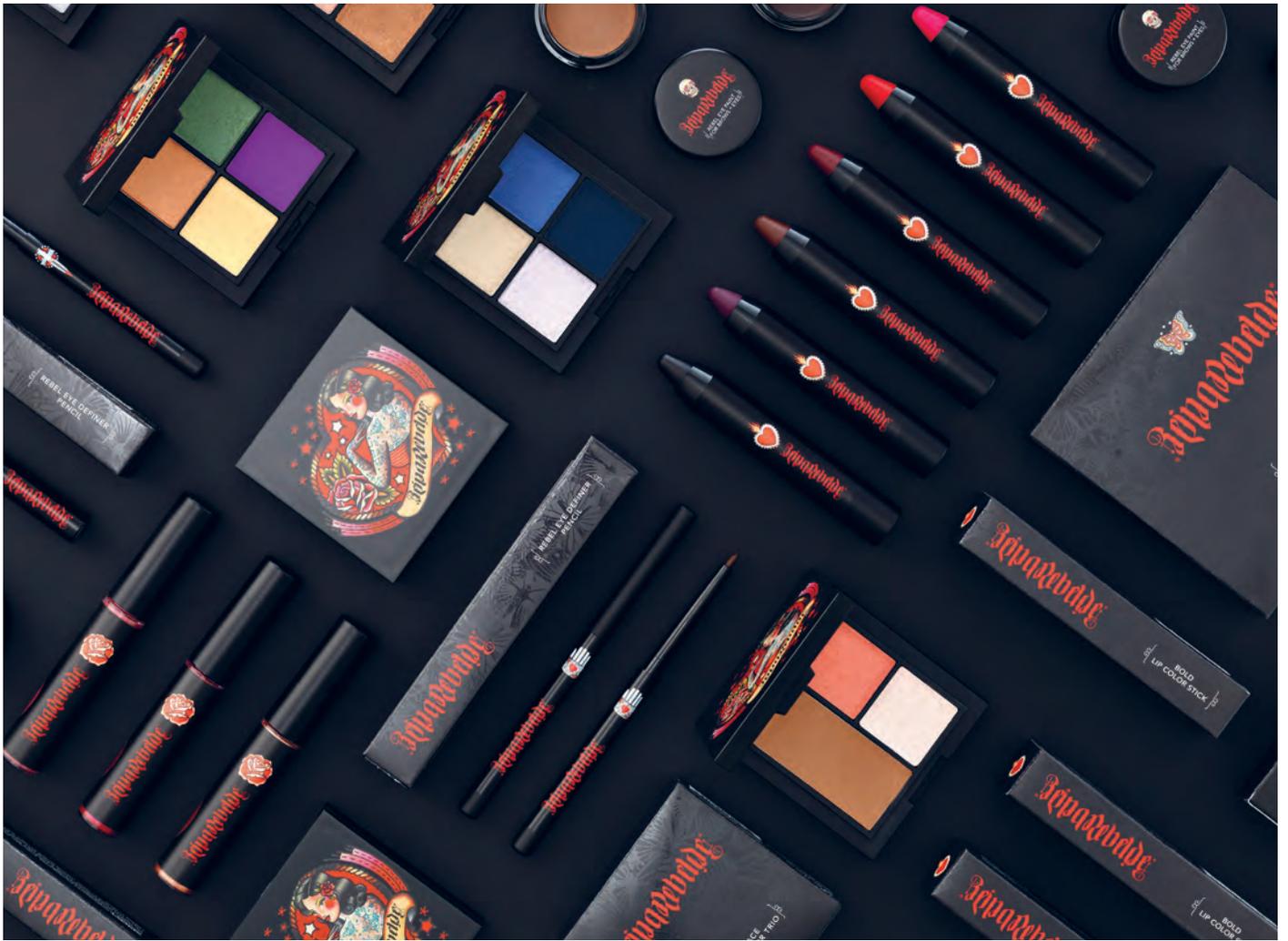
We've built into the brand a ton of symbolism around being ambi-cultural. The names of all the products are in Spanish, but there's English peppered in, in strategic ways that could capture somebody who isn't part of our community at all but happens to be a makeup lover, and they might get it.

Latinx customers can't all be painted with a broad brush. Within this community are Mexicans, Panamanians, Ecuadorians, Venezuelans, Dominicans, Afro Latinas, West Coast Latinas. In what we offer there's a little bit of something for everyone.

How do you know that what you're doing is resonating and with whom?

One way is to gauge reaction to our collaborations. For example, we did a collaboration in celebration of Puerto Rico with a really well-known beauty influencer who's half Puerto Rican, half Black. It was a big love letter to Puerto Rico. Our sales told us that our customers in New York, many of whom are Dominican or Puerto Rican, got it. We also saw increased conversation on Instagram.

Another way to understand what's resonating is to interact with consumers at trade shows, like Beautycon. We'll create a booth and it's basically meant to be an Instagram experience. Of the 30,000 millennials that show up at the show, those in our community see the symbolism from across the convention center and self-select into the brand.



But the guiding light, the litmus test, is what resonates for me in a very authentic way. If it doesn't, we don't do it.

Speaking of your values, how have you responded to the increased national focus on racial injustice over the last year?

We've publicly supported Black Lives Matter. We also posted about how there's a lot of racism against the Black community within the Latino world. That got some people upset. Others, though, said, "Thank you. It's about time we started talking about that."

I've found that in this environment, anything you do is controversial—and we've done some things as a brand that have alienated some people. Once when we were doing a Latino leaders series, we posted a photo of Alexandria Ocasio-Cortez, and basically lost the entire state of Florida. People were furious. But if you look at her story, that's the story of so many women in our community. Their unexpected rise based on pure guts and

"My collection is equal parts wild and unpredictable, bold and impractical, feminine and luxurious, sexy and severe—in many ways perfectly reflective of my complicated identity as a Mexican woman embracing an American life."
Reinarebelde.com

commitment to something. That's something to be celebrated, whether or not you agree with her.

You knew through your lived experience that there was a market for Reina Rebelde. But how did you figure out how to create, manufacture and distribute a product?

You mean, how does a Chapter 11 restructuring attorney learn how to create makeup? [Laughter.] Through my research I discovered B2B trade shows, and I just started signing up for them. I went from city to city, booth to booth, saying, "This is what I'm trying to do. How does this whole process work?"

The ramp-up is exhausting, between formula creation, figuring out where you're going to source your components, the best type of box and price. I was very sort of shameless about introducing myself to people and asking for help.

At one point, by happenstance, I stepped into a roundtable, and there was a woman speaking who had done product development for major cosmetics

brands and moved on to a career in consulting. I pitched her. She said, “I know everything you need to know about makeup, but I don’t know anything about your demographic.” And I said, “Just help me with the manufacturing side.”

We ended up working together. She was critical in helping me to identify the right manufacturers and cosmetic chemists to bring the brand to life.

Once you had created your products, how did you reach customers?

At the time I launched my site, we succeeded at getting some media attention, and I thought readers of those stories would just click over and buy. When that didn’t happen, I realized that running a D2C online brand meant I was running a digital company, and I’m not a very digitally savvy person. I was totally clueless about how hard it was to run an online-only, direct-to-consumer business. By hard, I mean incredibly expensive.

So we started the hard work of going through a more organic customer acquisition route. And over time, we were able to attract a grassroots following among Latinx women. Through that, I was approached by Target, which was targeting the indie brand movement in the beauty space, and they wanted brands that focused on women of color. I had never envisioned being at Target. In fact, during the design process I was asked, “Are you ever going to sell in retail?” And I said, “Of course not. I’m only going to sell online.”

Now, I thought, if nothing else, Target will provide great exposure, people will see it on the shelves, maybe admire the packaging, maybe read something about the brand. Target worked out well enough that Walmart approached us about selling at its stores.

Before the pandemic, what percentage of your sales did retail account for? What will that ratio look like going forward?

Sixty to seventy percent. And during the pandemic those sales stayed up. In-store fell, of course, but the dotcom side of retail flourished, and that includes Target.com and Walmart.com.

Going forward, what’s challenging is that shopping habits have changed. During the pandemic, people got really comfortable shopping online. Are they ever going to feel the need to go back to a store?

This year I’m focused on making traction on the direct-to-consumer path. Acquiring those customers is very expensive, but once you do their business is so much more profitable. Supporting retail sales, by

“OUR COMMUNITY IS BY FAR OUR MOST VALUABLE ASSET. IN THE NEXT 30 YEARS, THE LATINO COMMUNITY WILL COME TO REPRESENT MAYBE THE LARGEST COMMUNITY IN THE U.S.”



contrast, is cuckoo-bananas expensive. And you’re left knowing nothing about your bricks-and-mortar customers. The retailer knows who bought your product, but you don’t. Who are they? What drew them in? How do you get them back?

But I still think you need an omnichannel approach. The visibility of your product at Walmart or Target—that visibility is fantastic, and I’m grateful for the partnerships we have in place.

Startups in established industries often get acquired. Would you consider an offer?

There’s a lot of money out there and all money’s not the same. I would consider a partnership or an acquisition where I stay on and do the part that I love the most, the creative side of it. But only with the right partner—someone who is publicly supportive of my community.

Early on, I was approached multiple times about people who wanted to be investors, but none were the right fit. They were looking to make money off of a business targeting women of color, but they didn’t support minority communities.

Another red flag for me is the investor who doesn’t care if you’re profitable: “We just want you to grow, grow, grow. If you’re never profitable, we do not care.” I’d rather grow this a little bit more slowly and do it the right way.

I’m proud that we’ve been able to grow into the business we are today without relying on outside investment, and plan to take it one step at a time as we emerge from the pandemic.

Looking forward, how do you envision success for your brand, your company, yourself?

At a time when a lot of brands are closing their doors, I am focused on survival. Unlike working as a lawyer—where you push, push, push—this is a finer dance of knowing when to push and when to sit back and let things settle before deciding what to do next.

Looking ahead, I recognize that our community is by far our most valuable asset. In the next 30 years, the Latino community will come to represent maybe the largest community in the US.

We are here to stay, we have lots of buying power and we are still having three children each [laughter]. Just as I learned about makeup from my mother and grandmother, our customers want their daughters to use our products too. ♦

.....
AMY KOCH, a graduate of Yale and Georgetown Law, is a Brunswick Director in San Francisco. Before joining Brunswick, she was a litigation partner at Loeb & Loeb LLP in Los Angeles.



HERE'S A QUESTION STEPHAN SCHOLL LIKES TO ask CEOs: How many of their employees can stitch together \$500 in a crisis? “Most CEOs I talk to—frankly all the CEOs I talk to—don’t know the answer to that question,” says Scholl, CEO of Alight, a cloud-based provider of human-capital solutions to 72 of the Fortune 100, and half the Fortune 500. A 25-year veteran of Silicon Valley, where among other positions he held senior leadership roles at Oracle and Peoplesoft, Scholl argues that technology—a force often blamed for the demise of employee security—can and should be used to bolster it. Not just because that’s the right thing to do, but because employee well-being is crucial to

“Other stakeholders”—are they all equal?
Alight CEO STEPHAN SCHOLL argues for one constituency in particular, in a conversation with Brunswick’s **SIOBHAN GORMAN**.

You became CEO last April, mid-pandemic. What was day one like?

Surreal. The Saturday morning before I started, I received a small box in the mail that had my laptop, an Alight T-shirt, a hat and a welcome note. Monday morning I met the executive team on Zoom.

How challenging is that—to lead a team, an entire company, without being able to meet in-person?

There are many schools of thought to it. Mine was centered around the fact that I can move quickly. I love this notion of beginner’s eyes. I’ve been in tech for more than 25 years and have had the privilege of being part of the transformation at companies like Apple and Oracle. And you only have beginner’s eyes for a few weeks, maybe months. So being able to come in here with a clean slate, not be buried with travel, I was able to get in front of 40 of our biggest Fortune 500 clients in 30 days. That would never have happened in a world where everybody expects you to be there in person. We’re in each other’s living rooms, having frank, honest conversations without all the strictures of big boardrooms and CEO offices. It really takes it to a different level.

That was true of my colleagues at Alight too. I got to know my management team very quickly.

The Employee Decade

the bottom line. “I think in the next 10 years CEOs are going to be measured on how they treat their employees,” says Scholl. In an interview with Brunswick Partner Siobhan Gorman, Scholl explains how Alight’s technological prowess enables it to help employees improve their health, financial security and performance on the job.

ILLUSTRATION: LINCOLN AGNEW

How exactly does Alight “connect health, wealth and well-being for employees”?

We have 30 million employees that we serve today. That’s 14% of the US workforce. We serve 72 of the Fortune 100, half of the Fortune 500. And our objective as a company is simple: ensure that every employee stays healthy, is financially secure, and has the confidence and the know-how to be able to make decisions in those two categories.

Obviously that’s important given what’s going on with the pandemic. It sounds simple, but benefits are so often complicated, fragmented and unclear to employees. And they’re costly for employers. After salaries, benefits are typically the second-biggest cost for a company, and they increase between 6% and 20% every single year. And yet when you talk to the executive committee, it’s one they understand the least, because it is so mired in complexity.

And then add in the fact that over the last decade or so, employers have been shifting more responsibility to the employees about these benefits. Whether it’s a 401(k) or HSA (health savings account), employers haven’t given employees the tools to make these hugely important decisions. Sixty percent of Americans can’t retire when they want. It’s a financial crisis. Half the employees in the United States regretted a healthcare decision. Half. Those are stark numbers.

I see Alight as the answer, the platform, the company, that can demystify all that for employers and employees. We have the size, the scale, the capability to deal with these two problems—which are trillions of dollars in market cost, and risk, and complexity. Employers are under a huge cost crunch. But they also realize that they have to change their relationship with their employees.

Every company says some version of “our people are our most valuable asset.” Yet is it hard convincing CEOs to invest in this platform?

There are no RFPs for what I’m talking about. When we call up CEOs and CFOs, they know there’s a problem. But they have hundreds of things on their plates. We need to convince them that, despite all the other pressures they face, caring for their people has to be a top priority—and it needs to be dealt with now and not later.

And one of the ways we do that is by saying, “Listen, from the data that we collected across 30 million participants, this is what we see: You potentially have a very unhappy, very unhealthy workforce.”

And we can help engage employees, help change the decisions of those individual employees so they lead healthier lives—so they have the information,

“FOR
25
YEARS,
CEOS HAVE BEEN
MEASURED
BY THEIR
SHAREHOLDERS
LARGELY ON HOW
THEY TREAT
THEIR CLIENTS...
IN THE NEXT
10 YEARS,
CEOS ARE GOING
TO BE MEASURED
ON HOW THEY
TREAT THEIR
EMPLOYEES.”

the educational material to make right decisions.

Being a nonconformist diabetic, for instance, has a huge downstream impact to the healthcare system. Sending alerts, warnings and information over a mobile phone to help somebody become a conformist diabetic—that makes a profound difference not only to the employee, but also the employer.

You’ve talked about “entering the era of the employee.” What does that mean?

In software and technology, you’ve gone from hundreds of companies that serve clients down to a few dozen. Because clients wanted to interface with their suppliers in a much simpler way. You’d think the same thing would’ve happened on the employee side. And yet the average Fortune 500 company combines between 50 and 150 different technology platforms and service providers to deliver a range of employee solutions—from benefits, to payroll, to career and talent management, to voluntary benefits.

An employee does not want to go through 15 different systems to make 15 different decisions. They want to go to one place. They want it to be personalized. They want you to know who they are. My daughter, for instance, is 12 years old. She went on Nike.com and ordered a pair of shoes where the left one’s green, the right one’s blue, with different laces.

Can you imagine the disruption in supply chains and manufacturing to create a pair of shoes at \$80? If we can do it for shoes, why can’t we do it for health-care and financial services and savings? Why is everything spread across 15 programs when it could be, if you have 50,000 people, you could have 50,000 programs? Why can’t health, pension, 401(k) be personalized?

The fragmented approach isn’t great for employees and it’s not efficient for leaders. It means CEOs can’t answer basic questions like, “How many of my employees can stitch together \$500 in a moment of crisis?” Most CEOs I talk to—frankly all the CEOs I talk to—don’t know the answer to that question.

And Alight could help them answer that?

Yes, that’s what we do. That’s why we reinvented this whole engagement platform where we can go out and use these datasets around payroll and deductions. We have the ability to understand your 10-, 20-year history of benefits, the choices you’ve made. We can understand your personal situation, your claims data. Are you healthy? Are you not? Are you financially secure?

We’re providing the right set of information across payroll, health and wellness into one concrete,

personalized platform, so that you as an employee, whether you make \$40,000 a year or \$100,000 a year, can make the right trade-offs and decisions.

One of the largest employers in the United States, for example, recently spent \$3 billion on annual enrollment. People that made \$40,000 and less—only 7% of those employees had the right critical care and illness coverage in this environment.

How come? Because the company had introduced 22 new programs. Only two of those were applicable to people earning \$40,000 or less. If employers use our new platform, they can better understand their employees' appetite, capacity and capability to spend money. We would, for example, show employees earning \$40,000 or less the two programs that are relevant, so that 7% becomes 100%.

But if you show employees 22 programs, people tend to throw their arms up and say, "I won't touch it." And here you are as a company spending billions of dollars, thinking you're doing the right thing. And yet 93% of your employees earning \$40,000 or less don't have the critical care coverage they need.

At that same company, more than 90% of employees earning \$92,000 and above had the right critical illness care because the programs are geared towards them. So there's an important equality component in this as well.

Beyond helping an employer understand the datasets of what their employees need, we are the translator, that voice of the employee: "Don't send me 22 options; send me the two or three that I can afford and that provide the coverage I need."

What trends are you gleaming about the future of employees?

Traditionally, you had full-time employees to whom you provided benefits and classic services. Now, in the gig economy, between 20% and 50% of a company's employees are part-time. That raises profoundly important questions for leaders, particularly how you attract, retain and support these workers? That's where we at Alight get excited. We're focused on meeting the unique needs of the workforce, whether they're full-time, part-time, freelancer.

Some of our clients, for instance, have 150,000 part-time workers. And they want to treat them as respectfully as a full-time employee, because these part-time workers might come back for the next five years for that same 12-week peak period. I've talked to a few CEOs about this: creating loyalty among part-time employees. Major companies like Starbucks are doing it effectively today—why can't everybody do it?

**"FROM DATA
WE COLLECTED
ACROSS
30
MILLION
PARTICIPANTS,
THIS IS WHAT
WE SEE:
YOU POTENTIALLY
HAVE A VERY
UNHAPPY, VERY
UNHEALTHY
WORKFORCE."**

SIOBHAN GORMAN, a specialist in crisis and cybersecurity, is a Partner in Brunswick's Washington, DC office.

Do you today feel more or less hopeful on behalf of employees than you did a year ago?

Much more hopeful. I see the siloed decision points between payroll, wealth, health and benefits at big companies being consolidated into, "I need a better view of my employee across all those continuums."

I think everybody's waking up. I'm a board member myself, and I feel like it's firmly now a board-level conversation.

My conversations with CEOs now are along the lines of, "How healthy do you think your employee population is? How many have put off routine healthcare procedures over the past year? How many employees pulled out money from their 401(k) under the CARES Act?" These are questions that were never asked before. Benefits were always an afterthought and sort of "in the corner." Now, they're front and center.

For 25 years, CEOs have been measured by their shareholders largely on how they treat their clients. It's all been about the client side of the house. That's where the majority of the money went. That's where the majority of the transformation went.

I think in the next 10 years CEOs are going to be measured on how they treat their employees, and how their employees are the core of their transformation, and how they will bring them into the fold of this digital transformation that everybody's going through.

I think that shift—from focusing on serving clients to serving employees—will affect bottom-line performance. When clients look at suppliers, they now ask them about a range of issues: sustainability, racial equality, diversity and so on. It's a natural extension for clients now to ask, "How many employees are at the poverty level in your company?"

But you don't even have to look that far ahead to realize this is a bottom-line issue. CEOs are realizing today that you can have great clients, but if you don't have employees who are happy, who are supporting your clients, you can't run a business.

That's what we're focused on: giving employees the voice, so that employers hear it and are clear on what their employees need. It isn't about ping-pong tables, free lunches. It's about making sure employers understand: How do you view, as an individual, your path to retirement? How much money do you think you need to be financially secure? How healthy are you and your family along that continuum?

How healthy are my employees? How financially secure are they? I can't imagine two more important questions that haven't been answered effectively over the last decade. ♦



The ENDURANCE



His first startup launched at the dawn of this century, and **SIMON ROGERSON** has been launching others ever since, while also raising children, running triathlons and contemplating the purpose of business. By **SUSAN GILCHRIST.**

IN 2000, WHEN SIMON ROGERSON WAS 25, HE LEFT A LARGE financial services firm to launch a startup with two friends. They called their company Octopus, because “it had 100% name recall,” Rogerson later told the *Financial Times*. Another reason: He and his fellow founders preferred something humble, in an industry of names taken from gods and planets.

In 21 years, Octopus has extended its tentacles from financial services into energy, real estate, venture capital and financial literacy. Connecting those disparate businesses is a culture that emphasizes service to customers, colleagues and society. Rogerson, CEO, has stationed his desk in the reception area of Octopus headquarters. A significant stake in the privately owned company is held by its more than 2,300 employees. In highly competitive markets, Octopus stands out for its devotion to sustainability and renewable energy. It is also known for its highly literate communications. “Out-pricing, outsmarting, outmaneuvering the competition won’t last forever; out-behaving them will,” states a recent Octopus publication.

Octopus is highly successful. “Our original shareholders have now made 100 times their money,” says Rogerson.

The face of Octopus is Rogerson, an introvert compelled to write. His thought-provoking blog posts evoke the image of a philosopher CEO. With a degree in French literature, Rogerson is a father of three, an Ironman finisher and a subscriber to the belief that effective leadership benefits from an affliction he calls “Permanently Disappointed Syndrome.” In an interview with Susan Gilchrist, Brunswick Chair of Global Clients, Rogerson laughs. “I’m not a miserable person, but I’m always thinking we can do things faster and better,” he says.

Does behaving well truly confer a competitive edge?

Let’s imagine it’s the Middle Ages. You’re the blacksmith, I’m the baker. You put shoes on my horse. I sell you bread. We live in the same little hamlet. If the community finds out that I’m not being honest, that I’m cheating you, they’ll kick me out of the village, or they’ll put me in stocks.

Over the last 20 years, businesses have forgotten that great business is simply about how you make your customers feel. The larger they’ve become, and the more distant their customers, the more their morality has declined. They’ve built walls around their businesses that stop these customers from seeing in. They’ve spent hundreds of millions on advertising to project an image that’s more wishful thinking than reality.

But things are changing. The walls companies built around

ENTREPRENEUR

AT OCTOPUS, “WHAT YOU DO ACCOUNTS FOR ONLY HALF OF

themselves are being ripped down. The power is shifting—from the company to the customer. People, customers and employees can now see straight through a company. Not just what you do, but how you do it. Thanks to technology, particularly social media, we now live in a hyper-connected, super-transparent world.

But not every company has woken up to this new reality. Some companies—particularly those in our sectors of energy and financial services—still embrace and hide behind their complexity. They still behave like they’re the adults and their customers are the children. That will not last. The power has shifted. We’ve gone back to the Middle Ages. Your customers give you the right to be in business.

Does remuneration at Octopus reflect your concern about behavior?

We have a nine-box matrix that rates performance. What you do accounts for only half of how you get paid. How you behave is the other half. Behaviors are tracked on a scale of ABC. If you’re a C1, the 1 means you performed brilliantly from a what perspective but badly from a how perspective. That’s not a good place to be.

You’d much rather be an A3, which says you’re a great person, you’re just not delivering well. We can do something about not delivering well. We can get you from a three to a two, maybe a one. But if you’re a C, you’re probably not a great fit with our culture.

Speaking of culture, is it possible across so many different business units to maintain a cohesive culture?

All of our companies share the same values: be bold, helpful, straightforward. If you were a customer of any of our organizations, you’d know you were a customer of the same company—which goes back to how we communicate, how we treat you.

I’ll tell you a story that makes me proud. A guy, 25 or 26, on the customer service team of one of our investment businesses got a call from a client who was thinking about one of our investment products. Our guy says, “Would you like me send a brochure to you in the post?” The client said, “Unless you’ve got it in Braille, don’t bother. I’m blind.” Our guy didn’t talk to his manager. He just went home and spent his weekend recording himself reading the entire brochure, including about five pages of Terms and Conditions in small font. He put it all on a cassette or CD and sent it to this guy.

That client called me to say, “I’m not investing in the product because my situation’s changed. But I’m calling you up because I’ve never received such thoughtful service before.”

That’s something you can’t train into people. They either care about customer service and other people or they don’t.

That’s one of the things I got wrong for the first however many years. I hired for skills. Then I wondered why I didn’t like working with those people. It took me years to stop hiring people who were functionally brilliant but culturally wrong. The shorthand I

use now is simple—people are either radiators or drains. Drains are rarely fun to work with.

What do you mean when you say customers will know Octopus by how you communicate?

Having a degree in French literature, I understood from the beginning that words are important, and words are under-rated by companies.

Every communication from our energy business, for example, is signed off, “Love and power.” That tells you everything you need to know about the brand, and the personalities that sit behind it.

Most companies communicate in a way that’s instantly forgettable. How many companies make you smile when you read what they’re sending you? Financial services is probably the biggest culprit. It’s an industry full of very smart people but they struggle to explain the complexity of what they do in a way that normal people can understand. And if someone can’t understand you, they definitely can’t trust you.

Why did you choose entrepreneurship over climbing the corporate ladder?

I wasn’t yet at university when I took my first job, selling door to door for a company called Betterware which sold household cleaning products. They paid me a flat commission, 20% of whatever I sold. It turned out I was quite good at selling stuff door to door. I started to think, “All my friends are working in bars or restaurants or whatever, getting £3 an hour.” I was earning £10 an hour. And I could work whenever I wanted.

While at university—I chose St. Andrews because I was keen on golf—I interned at a leading UK financial institution in their investment banking department. It was an amazing organization, full of very smart people. I’d happily work until 2:00 in the morning, proofreading stuff and generally trying to make myself useful.

At the end of my degree, I thought, “I want to go into something which is quite competitive where, if I’m really good at it, people will know I’m good at it. If I’m not very good at it then fair enough.” So I went into fund management, where your numbers are very transparent, and for a while I was proud. But every day I would look at my watch hoping the end of the day was near, and it would be only five minutes to 1 p.m. I was bored. I couldn’t imagine doing something that really didn’t interest me for 30, 40, 50 years. But thank my lucky stars, I fell into entrepreneurship, which I found infinitely more interesting. Now if I look at my watch, I’m hoping to slow time down.

In the almost 20 years you’ve run Octopus, how have you changed as a leader?

Instead of hiding vulnerability, I embrace it. The whole world tells us failure is a bad thing, to be avoided at all costs. Our education

HOW YOU GET PAID. HOW YOU BEHAVE IS THE OTHER HALF."

SIMON ROGERSON

system says, "Don't make mistakes." A big red pen tells you, "You got something wrong." Hardly anyone working in financial services failed at anything in their life. They've all done really well at school, they did well at university, they became accountants, they passed their exams. They probably passed the driving test first time.

But that's a bad mindset for startups and frankly for big companies. If you can't fail, can't admit to failing, then you learn nothing from your failures and you stop trying things that might seem risky.

Is there a failure of yours that was particularly instructive?

I make mistakes all the time, but the ones I regret are always related to hiring the wrong people. If you're really good at hiring, you might get six or seven people out of 10 right. When you get them wrong at a senior level, that becomes really painful. And those are the ones I regret, because they're leading businesses or functions for you.

So you change them out, and the whole process is not great for them or the business, but mistakes are inescapable.

I've hired some people who turned out to be like the CIA: admit nothing, deny everything, make counter-accusations. That's really draining. Better to be open about your weaknesses, better to say, "I'm not very good at that" or "I need your help." Or similarly, "I am really good at that, and you should use me here." A culture where people feel able to drop the shield they've carried around with them for 20 years is really liberating, and it has to start at the top.

Your businesses tend to shake up the establishment. As you grow, how do you guard against becoming the establishment?

I don't think you can build new businesses from within the mother ship. When we build new businesses, we build them outside of the head office. Even if they're in London, they'll be down the road or around the corner. You free them up and they can think differently, get into startup mode, rip up rulebooks, take risks, be OK making mistakes.

You actually provide financial incentives for your employees to leave to start their own businesses?

Because of the great experience I had starting companies, I thought, why not give other people the same experience? With that in mind, we created the Springboard program, which encourages people at Octopus to leave and go set up their own company.

Now, when you say to people, "Why don't you go set your own company up?" they tell you one of two reasons: "I haven't had an idea yet." Or: "It's too risky." The idea excuse is rubbish. You can just steal someone else's idea and execute it better. The one around risk I understand. People have husbands, wives, children, dependents. They often can't take that risk even though they'd love to. So we came up with the Springboard program which our people pitch for—money from Octopus, from our balance sheet.

We give them six to nine months and an investment. If they try and they fail within six to nine months, then we'll keep their job open and they can come back and work in their old job. They'll be infinitely more useful to Octopus, having tried and failed, than never having tried.

If we create 20, 30, 40 entrepreneurs out of that over the next 20 years, that'd be amazing. I personally invested in the first company that went through the Springboard program, which is a business called Parent Cloud. A lady in our HR team set up Parent Cloud, which provides resources for the mental and physical wellness of parents in the workplace. She's got 15, 20 customers now; it's doing really well.

Where do you get your stimulation and ideas?

I very rarely read business books. I'll listen to podcasts. But generally, I like base principles. I'm naturally introverted, and I like thinking on my own. I'll scribble down an idea and send it to a whole bunch of people, asking what's wrong about it and how it can be improved? I will take all of their feedback on board and come up with the next version.

I also like stealing other people's ideas. I have a little book where I just steal other people's ideas. Every time I think, "Oh, that's genius," I write it in my book.

At Octopus, it helps that we're surrounded by entrepreneurs trying to build the next generation of businesses. It's easy to be restless when you're surrounded by 80, 100, 150 portfolio companies, all with massive ambition and rocket-loads of energy.

Is there a particular kind of leader or thinker who inspires you?

We once had an external speaker appropriately named Ben Rockett. He holds the World Record for cycling from London to John O'Groats and back. To do this, he had to drop out of his PhD at Bath University. To train himself he got by on minimal sleep for months. The actual ride took three-and-a-half or four days. He broke his foot halfway through because of the force he was putting through the pedal. But he carried on, breaking the world record by a mile. That whole race he slept for two-and-a-half hours. At one point his friends in his support car, as he was going up a hill, started yelling that he was being chased by a bear. By that point he was hallucinating, and he believed them, and he started cycling faster. Anyone that far off the human spectrum I find inspiring.

As an Ironman triathlete, do you use exercise to relax?

There's really only one thing that genuinely allows me to switch off from Octopus, family, everything else. That's when I'm running, cycling or swimming. If I'm trying hard, I can't think of anything other than, "Where's my next breath coming from?" ♦

SUSAN GILCHRIST, Group CEO of Brunswick from 2012 to 2018, serves as Chair, Global Clients, out of the firm's London office.

ALLY to

FOR DECADES, MOST OF CORPORATE AMERICA'S diversity and inclusion initiatives shared some common features: Progress was vaguely promised, vaguely defined, and vaguely achieved. Today's leaders not only face intense pressure to change, many seem to want to do so. Yet few appear sure of what to say or do in such a polarized, charged environment.

A voice offering both intellectual rigor and compassionate counsel is Kenji Yoshino, whose writing on anti-discrimination and civil rights has appeared in major academic journals, top-tier newspapers, and in three award-winning books.

Yoshino, who studied at Harvard, Oxford and Yale Law School, is the Chief Justice Earl Warren Professor of Constitutional Law at the NYU School of Law. At that same institution Yoshino serves as the Director of the Center for Diversity, Inclusion and Belonging, a body that helps the law school and organizations around the US live up to those three values.

Yoshino, who lives in New York with his husband and two children, recently spoke with Brunswick's Global Head of Diversity, Equity and Inclusion and Head of US Recruitment, Nicole Reboe.

What is allyship?

We think of allyship as when an individual leverages their privilege to assist individuals in a group to which they do not belong.

What does it mean to leverage privilege?

Privilege is a misunderstood word. People think it means that all the lights turn green for you all the way down the road. And that's not their experience—they weren't born with a silver spoon so how dare you call them privileged. When you properly understand



privilege, it helps you understand allyship itself. My colleagues and I at the Center for Diversity, Inclusion and Belonging see privilege as any experience or characteristic that gives you an unearned advantage.

In addition to being unearned, privilege is invisible to us. We compare it to headwinds and tailwinds. If you're flying from the west coast to the east coast and I'm flying the other way and you have the tailwind and I have the headwind, you're going to beat me every time—even though the tailwind is not something you're going to notice sitting in the plane.

The critical thing is that privilege is multidimensional. We all have bundles of privilege and disadvantage. That means that in these allyship exchanges we can be fully reciprocal. I might have privileges relative to a heterosexual female colleague. I can be her ally on gender issues. And through her privilege

To “cancel” or forgive? What is privilege, and can we recognize our own? How can a company demonstrate allyship? **NICOLE REBOE** explores the answers with **KENJI YOSHINO**, an anti-discrimination and civil rights expert.



relative to my being a gay man, she's going to be my ally. We each are privileged depending on context, each disadvantaged depending on context.

How can we locate our own privilege? How can we leverage something that isn't in view, perhaps even to ourselves?

Oftentimes when we're called privileged, it gets our back up. The ways we've been disadvantaged are more visible to us than the ways in which we've been advantaged. As somebody who is not Black, who does not get followed around in stores, I'm unlikely to think when I'm shopping, "I'm so privileged. I get to shop without having a store detective follow me around."

Seeing the truth really begins with a posture of compassion for yourself. Having compassion for myself, I can say, "Through no fault of mine, I don't know about the experience of Black shoppers. But it is knowledge I can acquire."

The flip side of privilege being unearned is that it's not something you need to be ashamed of. It's an immutable aspect of yourself. For me to say, "I'm ashamed of being a man" would be silly and counter-productive. There's nothing wrong with being a man.

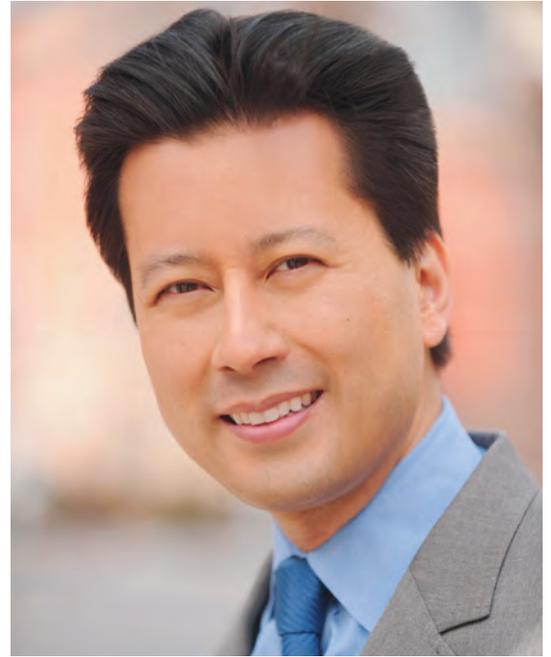
What's going to determine the measure of my personhood is whether I use that privilege for good or for ill. Allyship is one of the ways in which you can use it for good.

There's a robust social science that says we're profoundly incurious when we're fearful. But once we overcome that fear by affirming ourselves, by saying, "There's nothing wrong with being a man," then I can engage curiosity, and curiosity can lead me to hear other people. Most of what I've learned about my male privilege has come from having close colleagues and close friends who are women.

Gratitude can also play a huge role. People who get their backs up about privilege have no problem with gratitude. So instead of saying, "How are you privileged?" ask people to write down three things they're grateful for. Gratitude can often direct you toward those privileges. If I say I'm grateful for a job I'm passionate about and the means to live in the way I want to live, those are vocational and socioeconomic privileges.

How did you become aware of the importance of allyship?

One way was my own experience as a gay man, and understanding that the LGBT community, relative to the population as a whole, is really a tiny fraction of the population. If you're that small a percentage of



"WHAT'S GOING TO DETERMINE THE MEASURE OF MY PERSONHOOD IS WHETHER I USE MY PRIVILEGE FOR GOOD OR FOR ILL. ALLYSHIP IS ONE OF THE WAYS IN WHICH YOU CAN USE IT FOR GOOD."

the population, you're not going to be able to survive without allies. In many ways I've been a beneficiary of straight allyship. Other individuals made time for me, nurtured me, cared for me, and that kindled my interest in the concept of allyship.

I thought, why would individuals on the privileged side of the scale expend so much time and energy on other individuals and give up some of that privilege? It's actually one of the most inspiring aspects of human nature that so many people are willing to be allies.

Why is this relevant for the business world?

No one is totally privileged and no one totally disadvantaged, so everyone is going to need allies someday. That includes even the most privileged individuals in the business world or at the top of the tree in any profession. You could be the cisgender straight white man at the top of one of the Fortune 500 companies, yet because our human vulnerability is universal, at some point you will need allies.

You will lose your health privilege, or status privilege, or age privilege, your D&I privilege. When that happens, you're going to be really glad that you've built a culture that's rich in allies.

How do business leaders initiate and nurture this journey toward allyship in their organizations?

You're right that it's a journey, Nicole, and it helps to think of it in stages. We think of three stages—ally to one, ally to some, ally to all.

The ally to one is really focused on an individual. To make this real, I have a wonderful mentee

named Jess. If I'm an ally to one, I will want to get Jess through whatever promotion process she wants to get through. But because I'm an ally to one, I'm really just focused on her. I'm not thinking of her as a woman who might face headwinds that are different from the kind of tailwinds I experience based on my gender as a man. If Jess encounters non-inclusive behavior from a man, I just see him as someone to navigate around. At the same time, I don't perceive my own mistakes. I could make lots of mistakes relative to Jess and mentoring her that flow from my own unconscious bias on gender issues or my own ignorance or gaps in knowledge.

The ally to one is better than an ally to none. The ally to one at least cares about somebody who is not themselves, leveraging their privilege to help that individual. It's a fairly old school way of thinking about allyship: I have this protégé and I'm going to get them through the promotion process come heck or high water.

Then there is ally to some, which is where most people we work with are sitting now. They know about unconscious bias, about systemic racism and entrenched gender bias. They're focused on the group. As an ally to some, I'm not mentoring Jess just as an individual. I'm highly aware of the fact that she's a woman and might face challenges that I didn't have to face. I act not just on her behalf but whenever I'm inspired to do so on behalf of women. I seek to be an exception to the system.

As an ally to some, I have this mentality of, "I myself don't need allies. I'm just a good person who is helping out. I get nothing in return." The arrangement isn't reciprocal—and this is where the picture gets really dark.

When I'm an ally to some, I tend to condemn sources of non-inclusive behavior as bad people. I tend to be very condemnatory of people who make mistakes. These bad people are cast into the darkness, they're canceled. But if that's my posture, if I've divided the world between good people and bad people, I will have an incredibly hard time admitting to my own mistakes. If I make a mistake, I risk falling into that bad person category myself.

That brings us to the ally to all. The ally to all is focused on everyone, including themselves. The ally to all knows they're going to lose their privilege at some point, and they'll be glad they've created a culture that's rich in allies. Understanding that this is good for everybody means that you don't act episodically. You bake this into your systemic practices so that it's intuitive for you to act inclusively. You seek to improve the system as a whole because you're not

The ALLYSHIP Model



ALLY to ONE

Focused on an individual

Acts when an individual needs help

Remains largely unaware of systemic issues

Views sources of non-inclusive behavior as obstacles to overcome

Does not perceive own mistakes

SOME

Focused on a group

Acts when inspired to do so

Seeks to be an exception to the system

Condemns sources of non-inclusive behavior as bad people

Admits to mistakes with great difficulty

ALL

Focused on all, including self

Acts consistently by creating sustainable practices

Seeks to improve the system

Gives sources of non-inclusive behavior opportunity to grow

Accepts mistakes as invitations to learn

sitting up high watching everybody else benefit from your acts of largesse.

Being an ally to all means you understand that someday you will be the source of non-inclusive behavior. When that happens, you're going to be grateful that you're not left to stew in your office. Instead, someone will tap on your door and say, "What you did wasn't great. But I made a similar mistake and lived to tell the tale. Can I help you today? And tomorrow when I make another mistake, can I enlist you as my ally?" Then mistakes become invitations to learn instead of something you need to deny.

We've all read about Abraham Maslow's hierarchy of needs. We know that the first need is for food and shelter, and after that, physical safety. But what comes next? Belonging. Our need to belong is primal and bedrock. Allyship is a critical driver of belonging.

So there's a practical argument for choosing to forgive rather than cancel people?

I don't think that forgiveness needs to be infinite. But the strongest case against cancel culture is that we all make mistakes. In what we call the empathy triangle, there's the ally, there's the affected person, and there's the source of the non-inclusive behavior. Either I saw it, it happened to me, or I did it. If we think of this as a game of musical chairs, sometimes you're the ally. Sometimes you're the affected person. Sometimes, unfortunately, you're the source of non-inclusive behavior.

This is a truth that I know first hand. It's still mortifying for me to tell this story. But telling it is important for me to assure my own growth, and to underscore how we're all works in progress.

A few years ago, I was teaching a class on, of all things, leadership, diversity and inclusion. And I confused the only three Asian women in the class. I called them by each other's names. And the better I tried to do, the more I floundered.

The ironies are painful. I'm teaching a leadership, diversity and inclusion class. I'm a specialist in diversity-and-inclusion research, and I lead a center on diversity, inclusion and belonging. Last but not least, I am of Asian descent and I've been subjected to this terrible trope that all Asian people look alike. The idea that I would propagate this stereotype was deeply, deeply humbling for me.

By class three—and I'm embarrassed it took me that long—I just hit the pause button. I apologized to the three individuals offline. Then when the class next met, I said "I've made this error. I humbly

apologize to all of you. I've been a source of non-inclusive behavior. I would ask you to be my ally." One way I asked them to be my allies was by saying, "I'm your professor. There is power and privilege in that position. So it's understandable that you did not correct me in real time when I called somebody by a name that is not theirs. Going forward, can you please call me out if I make this or really any other D&I mistake? And if you need air cover, because of the power in the room and the power dynamics here, then please reference this conversation."

After I apologized, it wasn't immediately OK, which is an important point to relate. But by the end of the course, we were much closer to each other than we would've been had the event never occurred.

Are there right and wrong ways to be an ally?

We all know the ally who steps in for the wrong reasons. They're virtue signaling; they're cookie seeking. They want the gold star. So we ask people to pause and say, "Would I be engaged in this behavior even if nobody knew what I was doing?"

Next, am I informed enough to act? Am I informed not just about what happened between the source and the affected person, but with regard to the group in question? If I want to be an ally to the transgender community, I'd better know something about gender identity. If you're going to be their ally, it's not their job to educate you. You need to be a bit resourceful. It's oftentimes no more than a Google search. But if it takes reading a book or watching a documentary, you're either invested in this project or you're not. You may need to put in some work.

Important question for allies: Am I helping the affected person as they want to be helped? Could my intervention be received as unhelpful, embarrassing or patronizing? And should I seek permission or guidance?

The affected person may not want to be helped as you would wish to be helped. So rather than following the golden rule of helping somebody as you would wish to be helped, adopt what we call the platinum rule, of helping the other person as they would wish to be helped.

Let's say a colleague of yours walks in late for a meeting and the source says, "Oh, I see you're on Latino time or Hispanic time." You think that's problematic, and you decide to intervene. So you say, "That comment trades in an ethnic stereotype. I would ask you to retire it and not make that comment again and to apologize to the affected person." Whereas the affected person might be thinking, "Thanks, but no thanks. I have an agenda to get through for this

meeting, and now you've completely blown up any possibility that we'll get through that agenda because you've derailed us into this D&I conversation."

We suggest that you approach the affected person offline and say, "I saw that. I thought it was unfortunate. I would love to be your ally and help." Even if they say no, that is still a win because you have now outed yourself to them as an ally. Six months from now, they can remember that you noticed and cared in that moment, and say, "I need you now."

When you're a team leader, you may see behavior so egregious that you have to intervene. By all means, do so. But please intervene in your own voice. Rather than dragging the affected person into it, say, "As someone who's invested in inclusive culture, I would ask that you rethink that comment."

One of my favorite questions is, "Am I maximizing my effectiveness by thinking of systemic solutions?" Again, I have an example that doesn't necessarily reflect well on me. In my Constitutional Law class, I did a self-audit and noticed I was calling on men more than women. This is totally unacceptable to me as somebody who wanted to be an ally to women.

I tried to do better. For about three, four, five classes, I did. But as soon as I got tired or stressed or even excited about the material, I would fall back into my old ways. Psychologists have discussed this effect, saying that dealing with unconscious bias is like stretching a rubber band. When you stretch it, you can sort of change your behavior. But once you let go of it, the band snaps back into place. Economist Iris Bohnet takes on this problem in her book *What Works: Gender Equality By Design*. Her recommendation is to put in a systemic response when you're aware of the bias that prevents you from going back to the default. In my case, that meant I couldn't rely on myself. So I enlisted the help of my assistant to send me a randomized call list for each class before I started it. No matter how tired or stressed or excited about the material I got, I had the call list. That took care of the bias.

We often impute negative intent to people quickly based on negative impact. Make sure you're driving a wedge between intent and impact. Don't say, "You had negative intent." Rather, say, "I can testify that the impact it's had on me was X, Y, Z." This is not only a more principled approach, it's more accurate.

The most controversial piece of the allyship model is the argument that you should seek to be an ally to the source of non-inclusive behavior. But if you don't want to be canceled when you make a mistake, then you might want to think about forgiveness and generosity. ♦

**"THE MOST
CONTROVERSIAL
PIECE OF
THE ALLYSHIP
MODEL IS THE
ARGUMENT THAT
YOU SHOULD
SEEK TO BE AN
ALLY TO THE
SOURCE OF
NON-INCLUSIVE
BEHAVIOR."**

NICOLE REBOE is Brunswick's Global Head of Diversity, Equity and Inclusion and Head of US Recruitment. She is based in New York.

TEACHERS' Legacy

DINO VARKEY is CEO of the Dubai-based GEMS Education, the world's largest K-12 education provider, founded by his grandparents. He talks with Brunswick's **SIMON PLUCKROSE** about the pandemic and GEMS' targets for 21st century schooling.

SIX DECADES AGO, TWO PASSIONATE TEACHERS, KS and Mariamma Varkey, left Kerala, India, and headed for Dubai, now part of the United Arab Emirates, seeking a better life. They set up a small school inside a villa teaching math and English. And so began a 60-year journey over three generations that has seen the family business, GEMS Education, grow to become the largest K-12 private education provider in the world.

Today, GEMS Education has 42 schools in UAE and Qatar, educating more than 119,000 students, with more schools in Saudi Arabia, Egypt, Europe, Africa, India, Southeast Asia and North America.

Like all education providers, GEMS experienced fundamental challenges during the pandemic, and had to act decisively to continue delivering courses and maintaining its core business. According to the United Nations, classrooms are still closed in 19 countries, affecting more than 156 million students, while less than a third of low- and middle-income countries had returned all students to in-person schooling. The UN warned that the impact on the children's education may never be recouped.

Brunswick's Simon Pluckrose sat down with the CEO of GEMS Education, Dino Varkey, now at the helm of the business founded by his grandfather, to find out more about the company's story as well as how it is addressing the challenges of the pandemic while, at the same time, preparing for the future. The delivery of education will continue to change, aided by technology, he says. But at its core, the goal of a good education for every child remains fixed.



Can you tell me more about how the Varkey family arrived in the UAE?

I've reflected on this question a lot recently given the passing of my grandmother, Mariamma Varkey.

For me, the story of my family very much encapsulates the story of a highly educated, ambitious, lower-means family that took a courageous step. That is something that I'm drawn to: What were the values, the attributes, the decision points that my grandparents had to make to even contemplate that journey?

Of course, there is always good fortune. The late Sheikh Rashid [bin Saeed Al Maktoum, Ruler of Dubai] said he needed someone to teach his people to speak English and there was someone in his court who was from Kerala, where my family is originally from, who put up his hand and said, "I know a guy." That guy happened to be my grandfather.

So my grandfather came in 1959 and my grandmother in 1961 to initially teach the adult population English and mathematics so that the economy could start to grow, internationalize, diversify.

My grandfather was the intellectual—the mind that drives the purpose of GEMS Education—but the teacher was actually my grandmother. As a couple, they were an incredibly powerful team. One was very much about knowledge and rigor and the other about character and values and humanity. And those are all things that are embedded in what we do today.

Since our inception, our vision and purpose have never changed, the purpose of trying to provide every child with a great education no matter where they are, what they can afford, where they come from—that's what we strive to do each and every day.

The heart of this organization is that we are educators first; we're all teachers at the end of the day. That's never changed and that is something of which I am very proud.

Do you model your leadership style on theirs?

If I wasn't able to carry within my leadership the incredible role models that I have had in my grandparents and my parents, I think I would be failing. A lot of what I choose to anchor my leadership comes from their examples. But, inevitably, it is a different generation; the challenges and the context are different and rapidly changing. So, an element of what I look to, from a leadership perspective, is based on interactions with peers. We have had the wonderful ability to interact with some great heads of state and global leaders and you draw elements

"THE PURPOSE OF TRYING TO PROVIDE EVERY CHILD WITH A GREAT EDUCATION NO MATTER WHERE THEY ARE, WHAT THEY CAN AFFORD, WHERE THEY COME FROM— THAT'S WHAT WE STRIVE TO DO EACH AND EVERY DAY."

from all of them to, hopefully, create a more comprehensive sense of your own leadership style.

Why do you think the company has enjoyed such growth over the past 60 years?

It's always been a balancing act, but as my father says, "we've always strived to make good education decisions first." The financial outcomes will be a natural consequence of doing the right things from an educational perspective.

You start in the classroom. So, it's always going to be about the quality, passion and capability of your teachers, your education leaders. It's about delivering real value for every family in their child's education. It's about trying to fulfill the promise of delivering the potential for every family in relation to their child.

As GEMS gets bigger, how do you ensure you keep that promise?

There is a simple marker in education that we are all trying to get to, which is to move away from an education system that was designed and built for an industrial era. The model was of very prescriptive education that enabled every child to be like every other. Today's education model is still a relic of the industrial era to a great extent. Yet, our future doesn't look like that and, actually, our children don't look like that, they're all different. If our education system is unable to recognize the individuality that drives each child then it fails.

So, how do we meet that aspiration? There is a deeply held expectation within every level of the organization that we will deliver the potential of every child. We're not going to get it right every single time, but if that's the aspiration we are working toward then, by and large, we will be successful and hopefully our track record speaks to it.

Very few organizations around the world can speak to the fact that they have over 400,000 alumni. These are young people who will have an incredible impact not just at university but beyond that for themselves, their families their communities and, ultimately, their countries and the world at large.

If we do our jobs well, we will be a powerful catalyst to change our world for the better. That's a wonderful ambition to have.

The education of tens of thousands of children is a huge responsibility, does it keep you awake at night?

Actually, that part of it doesn't keep me awake at night. If anything it's what allows me, certainly

in the last 18 months, to sleep a bit better. I think this is because our context has been so challenging and what actually allows you to continue to work through all the challenges and the weight of the decisions is the fact that the prize at the end is so great. It is a responsibility, but one that, as a family, and me as an individual, has always been welcomed.

How has the pandemic impacted your ability to deliver quality education?

What we have experienced over the course of the last 12 to 18 months feels like the most unnatural economic and social dislocation—I would even go as far as to say psychological dislocation—of our lifetime. But I am incredibly proud of what our schools, our educators, our teachers have achieved and the way in which students and parents have responded as well. It has given us the opportunity to take some of the innovation that has been embedded in the organization for some time and seamlessly use that to make the transition from remote learning. I think, as of today, we have done 44 million remote learning sessions since March of last year.

When we first went into lockdown and transitioned into remote learning, from March to June of 2020, the biggest concern for everyone was what was this going to look like. Yet when the rest of the world had a dip in terms of student academic performance, we had our best year ever.

Across every single curriculum, versus the national average, we extended our performance last year. That is testament to what our educators have achieved and to what Dubai and the United Arab Emirates have achieved in terms of managing the pandemic.

What challenges, professionally and personally, has COVID presented for you as CEO?

Certainly, through the key part of the pandemic—the lockdown and the months that followed—every discussion and every meeting felt like there was a weight of consequence to decisions that perhaps we wouldn't have had in prior years. Everything from how we reopen schools safely, to how we ensure that our children are still progressing, to how we ensure our teachers don't burn out. Everything became more consequential because of the broader uncertainty, so for me, professionally and personally, dealing with that level of intensity of decision-making day after day was hard. We were resolute, though, in our belief in our ability to

“AS OF
TODAY, WE
HAVE DONE
44
MILLION
REMOTE LEARNING
SESSIONS
SINCE MARCH OF
LAST YEAR.”

deliver high-quality education irrespective of the format and also conscious that we had to help those that were most impacted.

We are proud to have helped the families of 30,000 students. We gave circa \$20 million to \$25 million in support to those that were most impacted. At the end of the day, our belief was right as we were successful in delivering the education and our results prove it.

How do you see the impact of COVID on education globally?

The biggest challenge I see as we look at the broader education landscape globally is the learning gap. Other countries don't necessarily have the technology, teachers, funding and other resources that we have had in the UAE. There will be generational consequences for millions upon millions of children from the experience they've had across countries around the world, particularly those that don't have the technology resources. To get those young people back to where they should be will require interventions that most education systems will be ill-equipped to deliver.

Beyond the immediate challenges, what do you think the future of education will look like?

When we surveyed parents during remote learning, well over 90% said they would prefer their children to attend face to face. So, there will always be a place for bricks-and-mortar schools within the community. However, in 10 or 20 years' time, what goes on in those schools may look very different.

The way in which we align students on what they are working on will be completely different. Today, we organize kids in a very simple way of age and stage. In 20 years, that is not going to be the case, because we as people don't function that way. It's going to be based on ability, on aptitude, on scenarios, on peer modeling where the most able children support others.

There could also be an interesting scenario where the classroom is everywhere. The idea of your teacher, or your avatar teacher, in your ear, on your wearable. For example, a child walking through a park and asking that avatar, “What is this tree?” It doesn't negate the need for bricks-and-mortar schools but goes beyond the boundaries of the school walls to ensure students have access to the world as they learn. ♦

SIMON PLUCKROSE is a Director in Dubai with Brunswick's Telecoms, Media and Technology practice. He is a former journalist for Daily Mail and General Trust.

EVERY FIVE YEARS, THE LAW FIRM FRESHFIELDS Bruckhaus Deringer holds an election to select its Senior Partner, an event well-covered by industry publications but typically ignored by mainstream media outlets. The firm's most recent election, held in September last year, broke that pattern, eliciting lengthy profiles in the *FT* and *The Sunday Times* of the groundbreaking victor, Georgia Dawson, the firm's Asia Managing Partner.

The surprise, at least for industry insiders, stemmed partly from Dawson's background. As well as its litigation and antitrust practices, Freshfields is renowned for its M&A advisory practice. In 2020, that practice advised on deals worth more than \$363 billion—fourth globally according to Mergermarket's 2020 rankings. Yet Dawson's background is in litigation and regulation. Freshfields is eyeing further growth in the US—which accounted for about 40% of global M&A activity in 2020—and its strongholds are in Europe. Yet Dawson ran its Asia business and was based in Singapore and Hong Kong.

Another factor was gender. Prior to her election, no woman had ever led Freshfields in its 278-year history. Nor had a woman ever before been chosen to lead one of the five venerable London-based firms known as the "Magic Circle," a label that Dawson regards as needing a refresh, for Freshfields is a global rather than British firm.

Dawson's victory was hailed as a marker of progress not only for Freshfields but also for the legal industry more broadly. She has built a reputation for championing diversity and inclusion, having appeared for three consecutive years on the *Financial Times* and Yahoo! OUTstanding Top 50 LGBT+ Ally Executives lists. She was also named the LGBT+ organization Stonewall's Global Senior Champion in 2019. Diversity and inclusion was a pillar of her campaign for Senior Partner.

In 2021, Dawson's first year as Senior Partner, half of Freshfields' 22 new partners were women, compared with 19% the year before—an achievement for which Dawson claims no credit. "Some of the press coverage would suggest that this improvement was attributable to my new management team. But in fact, the prior management team and our practice group leaders effectively built that class of partners as a result of long running efforts to improve diversity in the firm."

Beyond media interest, Dawson has been surprised by the impact her appointment has made. In the months that followed it, peers from other legal firms offered their support. She told Brunswick that letters and emails now come from total strangers.



GEORGIA



FRESHFIELDS' Senior Partner discusses her historic election, building a pipeline of diverse talent, and the importance of actually taking vacation days.
By **JOANNA DONNE.**

DAWSON

One typed letter offered both congratulations and music suggestions. More familiar congratulations came from Dawson's father, who celebrated 50 years as an Australian solicitor the same year Dawson celebrated her election triumph.

Dawson, who is relocating from Singapore to London, recently made time to speak with Joanna Donne, a Brunswick Partner who began her career as a solicitor with the law firm Linklaters. A few weeks after their conversation took place, Linklaters announced the appointment of its first-ever female Senior Partner.

When you joined the firm in 2004, was it your ambition to be senior partner?

No, it really wasn't. The senior partner from where I sat as a junior associate wasn't that visible—I mean, we knew who they were, but I didn't really have much understanding of what they were doing day to day. I joined in 2004—about four years after our big mergers in Germany and Austria. So I imagine the senior partner at the time was heavily focused on two things: integration and also growth, because we grew significantly from 2004 to now.

Today we don't have that integration challenge. We are fully integrated and truly global. What is different today though is the competitive landscape. The US firms are much more dominant today than they were in 2004 in key markets like London. The technology, the working arrangements, the priorities—they were all obviously quite different then too.

One area you've been visible on is inclusion and diversity. Your appointment was seen as a sign of progress; so too that this year's partner class was 50% women. What's the plan to sustain that momentum?

Our target is that at least 40% of new partners are women. And we've achieved that in year one. We will start the process for 2022 partners this summer and we will be focused on sustaining our progress.

Going forward, I think that having the management focus on building the pipeline of talent and sending strong messages about how people are doing at an early point in their careers will be really key. All of the things that we have been doing to support and advance diversity, we have to continue doing.

Then I think we need to be really thoughtful about curating our talent. Making sure that if you're on track, you get a strong message, that people are helping you get good mandate opportunities, client relationship opportunities, helping you understand the firm—so that when it comes to having interviews, all

candidates perform really well.

If you look at the talent pool that we will be drawing from, it is sufficiently diverse to achieve our goal of 40%. It then just requires management focus so that we are saying to the practice groups if they're not coming up with a diverse slate, "Why not? Because it looks like the talent is there."

One of the firm's new global environmental targets is a 30% reduction in carbon from business travel over the next five years. Do you think post-COVID there will be a sustained dramatic reduction in business travel?

The firm has been focused on this area for a long time. We've been committed to carbon neutrality since 2007, and since 2015 we've done so through a carbon offset program called the Reforestation in East Africa Programme that has been highly successful.

There was a pre-existing environment program and a pre-existing five-year set of targets. I refreshed that at the beginning of my term to set our objectives for the next five years. The targets for the previous five years included similar kind of topics: reducing carbon from travel, reducing paper use, etc. We achieved all of those targets, save for eliminating single-use plastics, which we had to reintroduce because of COVID requirements. We've given ourselves until the end of this year to get rid of the single-use plastics, and then we've adjusted the other ones to be more ambitious.

Will travel reduce? Yes, I think so. If I think about my own career, sitting here in Asia, the number of meetings I have joined dialing in from Asia late at night and not really felt like an active participant in the discussion because you're not in the room—[Microsoft] Teams has completely changed that.

People are now a lot more thoughtful about making sure that the right people from around the world are around the table on any given topic. It's more inclusive without the disruption of having to travel and do things face to face. As a management team, when we run the global management meetings—be that at the board level or the ExCo level—we'll do the majority via Teams and only do a few a year in person. And clients are increasingly comfortable organizing virtual meetings too.

But I really want to get back to bringing our teams together, to support and create those networks and friendships that grow in the firm. We pride ourselves on creating global teams that are highly collegiate and where people have fun together, because then I think you work better together and produce better results for clients.

"IF YOU LOOK AT THE TALENT POOL THAT WE WILL BE DRAWING FROM, IT IS SUFFICIENTLY DIVERSE TO ACHIEVE OUR GOAL OF 40 PERCENT" OF NEW PARTNERS BEING WOMEN.

So returning to the office has a role to play?

Yes, it absolutely does. We are taking an iterative process to working out exactly what that is. Our colleagues in different cities will have a different approach or a different set of parameters for what will work for them, and we need to be accommodating of that.

If you compare Hong Kong, where we have a beautiful office with quite a bit of space and where the commute is quite short, I think we'll have high levels of occupancy, versus cities where the commute is both expensive and not always that convenient.

We're looking at a range of different options. But reinforcing and maintaining the culture of the organization is the core of one of our planning principles, as is learning and development, and ensuring the ongoing excellence of our work. They're the design features.

But it's been a long stretch of disruption and I think people are feeling less connected. We are very aware that many around the firm are continuing to manage heavy workloads alongside the ongoing challenges of the pandemic. To address that, and to say thank you for the hard work, we've implemented a new package of well-being measures over the summer for all our people around the world: shutting the firm for two days so everyone can have a couple of long weekends, community days, and internal meeting-free Fridays. We'll hope a lot of people can take the additional days of annual leave, and for those who can't, we will give them a backup day. I want to ensure people take their leave and can properly switch off from work in the coming months.

Yes, it's tough isn't it?

I know it has been for me at times. And when I have taken leave, because you're in the same environment, same house, and your computer's sitting there, you feel inclined to check-in on work more than you should. I have been putting out-of-office notifications on my email and tried to step back. And when I have, it has been really good. And I felt so much better as a result.

Your leadership style seems very personable and accessible. Do you think, given the year everyone's just had, people expect a more intimate approach—to see a person as opposed to a corporate?

I think that drive for authenticity predates the pandemic. Yet the pandemic has accelerated the focus on the quality of communication and the level to which

people are being human in how they're acknowledging the challenges that people are having, and trying to accommodate them.

Obviously the insights into people's lives through video calls have brought other dimensions of people's lives to light. While I think you could use the word "intimate," I still think people are expecting to see professionalism, resolve, clarity of thought—but they're also increasingly looking for empathy and the human side too.

I think there's also the need for increased communications as well and a variety of different forms of communication: blogs, newsletters, live talks, recorded talks. Coming up with a whole range of different ways of engaging with people to accommodate different generations within organizations and different styles of listening.

For a lot of organizations, that communication from leaders was critical over the last year. The question a lot of leaders are facing now is: "How sustainable is that? Do I still need to be the one who does it? Can we build a structure around it?"

Yes. Which I think is absolutely right. There was probably a need for a period of time for it to be a single point of contact and consistent messaging. Then I think as we go on people need variety. And then there's the sustainability element to it.

I've come across some impressive pro-bono work by Freshfields employees, who are already working long hours and days—what do you think's driving them to do that?

I think it's largely self-initiated. The firm does curate or create opportunities through our relationships with charities, NGOs and pro-bono networks. We have a really healthy pipeline of new pro-bono mandates. They get advertised internally, and people can put their hand up and say they want to be involved.

We've had some projects that have been multidisciplinary across the firm. For example, we developed an app last year for refugee applicants in Hong Kong. Some of the thinking behind that was to relieve the work burden on the in-house lawyers at our pro-bono client. If you've got applicants coming in on a regular basis and you're giving repeat kind of advice, this was a way of putting that advice on both an app and a web portal so people could read it. It's now been translated into multiple languages.

When COVID hit, it became clear that people couldn't come in-person to get the advice, so this was a way for them to be able to at least progress those early stages of their refugee application without

"THERE'S NO
POINT WORKING
AS HARD AS
WE DO AND BEING
UNHAPPY—
WE OWE IT TO
OURSELVES
AND EACH OTHER
TO MAKE IT
REWARDING
AND FUN."

JOANNA DONNE, a
Brunswick Partner based
in Singapore, specializes
in corporate transactions,
crisis and litigation.

having to make contact with people. That project was a mixed team of lawyers and tech developers from Freshfields.

I think part of the drive and desire to work on pro-bono mandates, particularly over the past 12 months, is that we are really fortunate as a firm and as a profession. People are conscious that we have skills that are valuable to people who are less fortunate and going through really challenging times. To play a role in alleviating some of the stresses and strains that they're under through deploying our legal and other skills is something people want to do.

Freshfields has long had a presence in the US, but it feels like you're really investing in it now. Is that part of your strategy—to grow your presence there?

The firm has had an interest in the US and US-headquartered clients for a long period of time. The impetus for expanding has come about because we've listened to client feedback around where it would be helpful for them if we were to have a broader and deeper offering.

There's this really positive sense of momentum in our US practice at the moment. We see real growth opportunities in the transactional space—be that M&A or capital markets work—and also for our litigation and antitrust teams. We opened the office in Silicon Valley in the middle of the pandemic, and the team there have been incredibly busy, particularly in the last three quarters of the year. They're now handling a large number of IPOs and some really significant antitrust litigation for some of the big tech companies, amongst others.

There's a balance between growth and integration. Since 2018, we've had 18 new lateral partners in the US. We've also promoted eight new partners internally. We've still got some areas that we either want to grow or we need to plan for succession. There will certainly be more hires over the next couple of years, and we are conscious of the importance of careful integration into our existing structure, to maintain our culture of collegiality—something I am proud of and believe is important when operating at a global level.

Part of what drew me to Freshfields, and what's kept me here, is the nature of the work. It's challenging, it's cross-border. But it's also that you're surrounded by really passionate, clever people who try to make work as enjoyable as it can be. There's no point working as hard as we do and being unhappy—we owe it to ourselves and each other to make it rewarding and fun. ♦



Love & Leadership

Western Union
CEO
HIKMET ERSEK
on the power
of human
connection and
how it is driving
the company
forward. By
Brunswick's
DAVE CARLSON
and **PATRICK**
RUTHERFORD.

IN 2010, HIKMET ERSEK TOOK THE HELM OF Western Union, a company with a rich history of change and transformation. Founded 170 years ago, Western Union began as a domestic telegram service connecting the East Coast to the expanding western frontier of the United States and has since grown into one of the world's most recognizable brands.

Hikmet had risen through the ranks of Western Union, spearheading its international expansion. When he took the reins as CEO in 2010, more change was looming. The widespread adoption of digital and internet services beginning in the 1990s, and the rise of online payment companies like PayPal and more recently Venmo, Wise and others, seemed to spell an existential challenge for its cash-driven money-transfer business.

Under his leadership, the company has gone from strength to strength, showing a constant willingness to break with long-standing modes of operation and rapidly developing its digital services, all the while maintaining the resiliency of its core business. The company saw more than 80% growth in digital transactions year-on-year in 2020 and is on track to reach \$1 billion in revenue in 2021 in its digital business alone.

Hikmet's personal story is very much a part of his approach at Western Union. Born in Turkey to a Turkish father and an Austrian mother, he emigrated to Austria to study and begin his career. From his experiences, he developed a passion for supporting migrants and became a strong advocate for all the good that migration brings to the world.

The driving purpose of the company is connecting people, Ersek says, and the proof of that played out during the pandemic. When COVID hit, many industry analysts were predicting that a significant downturn in cross-border flows would negatively affect Western Union. Instead, migrants during the pandemic continued to send significant sums of money to their loved ones back home to support basic needs jeopardized by the crisis—things like shelter, medical supplies and food. As a result of its ongoing focus on services for the world's migrant population, the company is emerging from the COVID-19 pandemic stronger than ever. And the future is bright, as that population grows increasingly affluent and tech savvy.

Hikmet sat down with Brunswick's Dave Carlson and Patrick Rutherford to discuss his experience leading Western Union during these challenging times and his expectations for the future. Through it all, he returned again and again to the

importance of focusing on the company's global customer base, many of whom are immigrants opening opportunities for loved ones back home through cross-border money transfers.

Why did you join Western Union and how did you get your start with the company?

I joined because of my father.

It was 1999 and I was at GE in the Jack Welch era back when GE was the place to be. I was fortunate enough to be among those selected to go to their executive training program in Connecticut. So after this, I was contemplating what I would do next with GE and I got a call from my father in Turkey saying he needed money for some medicine. My father did well for himself but was living on a pension and this was very expensive medicine. I was living in Austria and had to figure out how I could send him some money from my Austrian bank account to his Turkish account. It ended up taking a week for the money to get through the correspondent banking network and it was a very expensive transaction. It cost about 140 Euros at the time and that was more than 20 years ago.

Shortly after that I got a call from a headhunter saying that Western Union was looking to expand in Europe. It was mainly operating in North and Central America at that time with about 50,000 locations and they were looking for an executive with deep international experience to help lead the expansion. At first I said, "No way I'm leaving GE." But then I started thinking about my experience trying to send money to my father and how there must be millions of people who had the same struggle getting money to loved ones in other countries. The more I thought about it, the more I thought it was a compelling opportunity, to help Western Union create this global capability. So I joined the company and the rest is history.

Eventually I was able to send money to my dad in Turkey through Western Union and kept doing it for 16 years—and it cost a lot less than 140 euros every time!

We've heard stories about you going to literally hundreds of different countries to open new locations. Is that true?

It is. The first place we opened after I joined was actually the Turkish Post Office. I flew there and said, "Why don't you use Western Union? We're building a global cross-border money-transfer business and people like my dad need better services." And they said "OK." So that's what we did. I'd

wake up early every morning and say where are we going to expand to next? As head of International I went to almost every corner of the world—almost 150 countries.

Even very early in our international expansion of the cross-border money-transfer business we knew that to truly be global we had to be everywhere, and you had to understand the people and the culture in each market. When you operate in markets far away from your own headquarters and embedded in a different culture than your own, you have to work actively to understand the local context.

We also need to have community managers in the markets that are sending money to these regions that understand the culture. In Chicago, you have to have someone who understands the Ukrainian community, and so on. So you become the bridge builders between these countries.

In the span of about 10 years we went from 50,000 locations, all in North America, to almost 500,000 around the world, the largest global retail network for sending and receiving money in the world. Even today this retail network is critical to what we are trying to do in the future because it means that our customers using our apps or other digital services can send money to almost anyone in the world, regardless if they have a mobile phone or bank account. We can pay out into an account, wallet or local currency.

Do you think your own migrant story has influenced how you see the world and Western Union's role in it?

Absolutely. I get emotional sometimes talking about the company because I tell people all the time that our customers aren't sending their money, they are actually sending their *love*. As someone who was a customer first and CEO second, I bring this appreciation to everything I do. If your mom calls you and says I need money, you are going to say yes, of course, because that's love. It's your mom. It's your dad. It's your sister or your best friend. Looking at these transactions from the perspective of someone sitting in New York, it may be hard to appreciate the impact of a customer sending \$100 back to their home country—but that might pay to send a child to school for a year. I am not the smartest person in the company sitting in this corner office, not by a long shot, but if you listen to the customer, they will tell you what they need and where they see their world going and that is what drives my decision-making every day.

**"IT MAY BE
HARD TO
APPRECIATE THE
IMPACT OF A
CUSTOMER
SENDING \$100
BACK TO THEIR
HOME COUNTRY—
BUT THAT
MIGHT PAY TO
SEND A CHILD
TO SCHOOL FOR
A YEAR."**

What was it like leading the company in 2020? And how has the pandemic affected your customers and the business?

Well, first let me say it was probably the most challenging year we have ever seen. We are a people business and it was certainly strange not seeing people and not talking to people face-to-face. But one thing that proved important for us was that we connect people who have Zoom with people who have no way to get on Zoom—and the need to send money to loved ones had never been greater.

Each and every person at this company woke up every day to ensure that our customers could get those funds to those in need.

Even in normal times people often use our network to send money to loved ones for basic necessities like food, shelter and medicine, but during the pandemic our services had never been more crucial.

It was hard, I'll admit. For example, negotiating with someone from Nigeria, or Sri Lanka, or Japan, when you can't be there with them, even in the same country—it's challenging. But we knew the importance of what we were doing and we have never worked harder to ensure that our nearly 150 million customers in more than 200 countries and territories could send and receive funds, in more than 130 currencies, to and from almost anywhere, as the global pandemic raged with virtually no interruption.

We also undertook a broad range of initiatives to help our customers, like launching a global coronavirus relief drive, funding medical respiratory support machines, and waiving fees at the peak of the India outbreak. I am incredibly proud of each and every Western Union employee—they made it all possible.

Western Union is on track to reach \$1 billion in digital revenue in 2021. What are your thoughts on this milestone?

It is definitely the fastest-growing part of the business and the pandemic definitely accelerated that growth. But what surprised a lot of people was that our digital growth has been driven primarily not by people who used our retail services converting to digital, but by new customers coming to Western Union who had used other methods in the past, such as correspondent banking.

These people had a critical need to get money to loved ones and wanted to do it faster and cheaper without having to go to a physical location amid COVID and our digital app gave them the ability to that.

You compete with many established players but also many “fintechs,” many of whom are digital payment startups. How do you view this cohort?

I’ll say that fintech is not just “tech,” it’s “fin,” and when you are moving money across borders, the fin can be the hardest part. Moving money within borders is easy—that’s why it’s often free—but when you move across border it gets a lot harder. You have to convert currencies; you have to have licenses and regulatory know-how and customer service capabilities that span dozens of languages.

So to me, I don’t really look at it as fintechs versus established companies. I look at our global customer base and say how can we integrate all of our core strengths from technology, to financial services, to brand and compliance, to serve our customers better than anyone else.

We are also a profitable public company with about \$1 billion in operating cash flow, so that’s another difference between us and some of our digital peers who are private or venture backed.

Does the iconic nature of the Western Union brand confer any competitive advantages?

Yes, our brand absolutely is our strongest asset. We have one of the best-known brands globally. No matter where you go, the black and gold letters of Western Union mean something.

I think that’s a big reason we gained so many digital customers in 2020. All companies saw a flight to quality during the pandemic, which is natural—during times of disruption you gravitate toward people and brands you trust. That trust in our brand was already there even though they may not have used our services.

How do you think globalization will look, post-pandemic, both at the geopolitical level and also at the individual migrant level?

I don’t think globalization will ever stop. I also think it will accelerate in the near future but in a different way. In the ’90s, globalization was about people movement and trade agreements; now globalization is about the flow of data and information. How do you stop that? You really can’t. If you look at the big global issues facing the world today, climate change, economic inequality, et cetera, these issues require global coordination. As the world looks at supply chain issues and rising inflation, you have to have the IMF there along with the central banks.

At the individual level, I think you’ll see the movement of people around the world and across

“WHAT SURPRISED A LOT OF PEOPLE WAS THAT OUR DIGITAL GROWTH HAS BEEN DRIVEN PRIMARILY NOT BY PEOPLE WHO USED OUR RETAIL SERVICES CONVERTING TO DIGITAL, BUT BY NEW CUSTOMERS.”

borders accelerate as we get further into recovery. COVID-19 created the ultimate example of an isolationist environment. People were confined to specific areas and as soon as vaccines started to take hold you saw the natural desire for people to become connected again. So I think we’ll see a lot of movement in the coming years.

What’s next for Western Union?

We want to think very differently about our addressable market. But we’ll build from our core strength, which is simple: We’re a company moving all currencies, for all use cases, anywhere in the world. There is so much opportunity, in part because of the trust in our brand. It will take some time and some more internal disruption to get there, but we have two key strategies we are pursuing.

The first is that we want to build a financial ecosystem around our core migrant customers. This demographic has a unique set of needs being so far from home, and the financial services they require are no exception. Nobody can serve this customer base like Western Union, so there is a big opportunity for us to think about how we use our strengths to break into entirely new markets, which is a very exciting opportunity for us.

The second is to build on the momentum we have in opening up our cross-border platform to other ecosystems, financial institutions and other businesses who have customers with cross-border needs. Simply put, a lot of people have the need for a global network capable of moving money cross-border, and potentially serving as the bedrock for a broader financial ecosystem. In terms of scale, compliance, regulation, technology and so on, replicating what we have is nearly impossible, even for the biggest companies in the world. So there is a lot of demand from companies to partner with us. We can be a white label or a branded solutions provider for them and we have already had a lot of success with major partners like stc Pay, Sberbank in Russia and Google Pay.

You’ll see us change quite a bit in the coming years, but at the core, we’ll still be doing what we are best at: connecting people with their loved ones. That will always define us—and the desire to connect or reconnect with loved ones has never been stronger—so we’ve never been more excited about the future. ♦

.....
DAVE CARLSON is a Partner based in Chicago, specializing in corporate reputation and investor engagement.
PATRICK RUTHERFORD is a Director in Washington, DC and a member of the global financial institutions team.

DURING HIS 2012 RE-ELECTION EFFORT, PRESIDENT Barack Obama criticized his GOP opponent, Mitt Romney, over his career in private equity, an investment strategy popularly known for breaking up companies and eliminating jobs in pursuit of a quick profit. Private equity, President Obama said, seemed too focused on financial engineering and the profit motive and paid too little attention to its impacts on broader society.

Even as President Obama toured the country to stump for his own re-election, his own campaign treasurer, Marty Nesbitt, was contemplating starting a private investment firm that focused on the positive aspects of growth-oriented investing. His brainstorming partner was a fellow Chicago executive, Kip Kirkpatrick. Together they dreamed of a different kind of private investment firm: One whose commitment to the welfare of communities, businesses and workers would play to the financial benefit of investors.

“We don’t like the term private equity because it immediately leads people to think of financial engineering and cost-cutting,” says Kip Kirkpatrick. “We like growth-oriented investing and building market leadership companies so we always referred to our company as a private investment firm or a next-generation investment firm.”

“If a company provides a value proposition not just to employees and customers and investors, but also a broader social value proposition, it should be worth more,” says Nesbitt. “It’ll be supported by policy over the long term. It’ll have community support



has raised three additional funds, the last of which closed this summer. That fourth fund, which closed at \$2.68 billion, puts total assets under management at just over \$6.5 billion.

Demand is strong from investors that include large pension funds, university endowments, companies and family offices. “Across the board, we’re excited and encouraged that we have many investors in our fund who take great pride in what we’re doing but also hold us to a high standard of performance,” says Kirkpatrick. “Everybody’s saying, ‘Of course I want high returns. But tell me more about how I’m getting those returns. Tell me more about who those underlying managers are. Are they diverse? Does it paint a picture of the America we want it to be or is it all the same firms who come from very privileged backgrounds?’”

Private equity has long been cast as one of capitalism’s villains. But through its multibillion-dollar, myth-busting portfolio, Chicago-based **VISTRIA GROUP** is offering a different narrative. Brunswick speaks with their co-CEOs.

THE GOOD GUYS

over the long term. Revenues will therefore be stable. And it should be more valuable.”

There was limited data to support that theory when Nesbitt and Kirkpatrick launched their firm, the Vistria Group, in 2013. After all, that was six years before the US Business Roundtable issued its statement calling for companies to serve all stakeholders rather than just shareholders. In 2021, the Vistria Group stands as a compelling data point in the argument for inclusive capitalism. It raised \$400 million to launch its first fund in 2013 and in the interim

The Vistria Group follows the same basic mechanics as traditional PE firms, raising money from accredited investors and then taking controlling stakes in businesses. But on its website, the firm describes itself as operating “at the intersection of purpose and profit.”

The two Chicagoans became friends on the basketball court, where their game was recreational but competitive, Kirkpatrick having starred as a three-year starter at Northwestern University. Among the players in their pick-up basketball circle



was President Barack Obama, who in his memoir *Promised Land* portrays Nesbitt as one of his closest friends and advisors (see Sidebar on page 76).

Before starting the Vistria Group, their off-the-court accomplishments were substantial. As an officer of the Pritzker Realty Group, Nesbitt had co-founded and run as CEO The Parking Spot, the well-known owner and operator of off-airport parking facilities. Kirkpatrick had co-founded two health-care-focused private equity firms and was serving as CEO of one of the nation's leading independent mortgage lenders.

At the Vistria Group, the two men focused their investments in healthcare, financial services and education—industries that Kirkpatrick jokingly dubs, “healthy, wealthy and wise.” An example of their success at Vistria is Penn Foster, an educational company that enables adults to earn a high-school degree. Vistria invested in Penn Foster and also connected it with businesses looking to offer employees

Six years before the US Business Roundtable issued its statement calling for companies to serve all stakeholders, Marty Nesbitt (above) and Kip Kirkpatrick (left) launched a private investment firm on the premise that a socially responsible approach could deliver outsized financial returns.

the chance to continue their education.

“There were four winners in this business model that we built,” says Nesbitt. “First, the students who received a better education and an opportunity for growth. The employers gained a better-educated and credentialed workforce, while customers received services or products from that better-trained employee base. But the broader community also benefited. The social cost of an uneducated population is real. So is the value proposition of creating optimism and opportunity for a community.”

To that list of winners a fifth entry can be added: The Vistria Group, which generated nearly 50% IRR on the business.

Frank Britt, CEO of Penn Foster, said that he had “always been impressed with the Vistria approach and I have lived it first-hand. They are earnest about their commitment to doing things the right way by working to infuse a values-driven approach with the nurturing and thoughtfulness of what it takes to

build great companies. I can't imagine investing and leading any other way now that I've experienced the power of being at the intersection of purpose and profit."

Vistria enjoyed even greater returns on an investment in St. Croix Hospice, a business that helps make end-of-life care more accessible and affordable while supporting a crucial portion of the healthcare system—one that accounts for 10% of US healthcare spending, or roughly \$400 billion annually. The Vistria Group still owns the overwhelming majority of the 24 portfolio companies listed on its site; all but two are in healthcare or education.

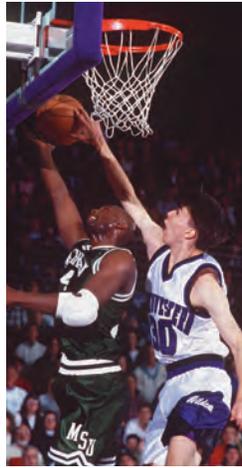
Such an approach is generating leads as well as returns. "We spend a lot of time thinking about where we want to invest and why, and then being pretty proactive about trying to find the right platforms in which to invest," says Nesbitt. "Having said that, we're seeing more and more owners and management teams who are thinking about bringing in a partner, calling us and saying, 'We've heard good things about the way you approach adding value.'"

No word appears in larger type on Vistria Group's website than "impact," an aim the firm seems to pursue through more than its investments. In response to George Floyd's murder and the protests over racial injustice that ensued, Vistria spoke with every company in its portfolio. These discussions resulted in each CEO of a Vistria-owned business writing to their respective mayor and local administration to call for greater action on inclusion and diversity. Vistria itself also phoned those mayors and donated money to accelerate the change for which they had called. These measures prompted a *Wall Street Journal* article headlined, "Vistria Group Turns to Portfolio Companies in the Fight for Racial Equality."

Meanwhile internal conversations were led by Nesbitt and Phil Alphonse, who, like Nesbitt, is a Senior Partner and Black.

"I'd like to think one of the good parts of Vistria is we are trying to have an open, honest dialogue about how we feel about what happened to George Floyd, and about social injustice in general," says Kirkpatrick. "It's hard for me as a white male to fully appreciate how impactful this was. But one of the good things about Vistria is that it's not just a group of white men. And we decided as a firm to raise the bar on new investments. The level of diversity on the board and as a company is now a key factor in whether or not we'll do the investment."

Vistria Group headquarters stand only a 20-minute drive from the University of Chicago, whose economics department is closely associated with the



Kip Kirkpatrick starred as a three-year starter for the Northwestern men's basketball team in the early 1990s. Years later, the sport would introduce Nesbitt and Kirkpatrick to one another as they played recreationally.

doctrine of shareholder capitalism from which Nesbitt and Kirkpatrick are offering a profitable, socially responsible adjustment.

Nesbitt thinks of it as a kind of "jujitsu" on capitalism—redirecting its tremendous power so that economic incentives align with social outcomes and beget a virtuous cycle.

"Consumers and voters are the same people," says Nesbitt. "Consumers cast their vote more frequently than participants in democracy, whose opportunity to vote is less frequent. When consumers start saying, 'Well, wait a minute—what product are you producing? Who's providing my care or education? What are you doing to my community? And I'm not using your product or service if I don't think it adds value, or if you don't conduct yourself in a way that adds value.' They're then going to vote that way. And when they do that, politicians will join this trend. That's the beauty of democracy and capitalism, is that participants get their say with their checkbooks and votes."

"Our country has gone through a lot, between the pandemic, the political division, the awful social injustices," says Kirkpatrick. "I think more and more, people are stepping back and saying, 'If this is what capitalism leads to, boy I'm not interested.' What we're saying is that we believe that the future of capitalism is not only dependent on a new approach, but that approach makes good business sense."

"Capitalism is not a science," Nesbitt says. "We made it up. We made it up to make ourselves safer and more prosperous. If we invented it, we can change it." ♦

EXCERPT FROM PRESIDENT OBAMA'S PROMISED LAND



"I'M TELLING YOU, MAN," Marty Nesbitt said to me shortly after I announced my candidacy, "my mother worries about you the same way she used to worry about me." A successful entrepreneur, a former high school football star with the good looks of a young Jackie Robinson, married to a brilliant doctor and with five wonderful

kids, Marty seemed the embodiment of the American Dream. He'd been raised by a single mom who worked as a nurse in Columbus, Ohio; it was only as a result of a special program designed to get more young people of color into prep schools and on to college that Marty had climbed the ladder out of his neighborhood, a place where most Black men could hope for little more than a lifetime on the assembly line. But when after college he decided to leave a stable job at General Motors for a riskier venture into real estate investments, his mother had fretted, afraid he might lose everything for reaching too far.

"She thought I was crazy to give up that kind of security," Marty told me. "So imagine how my mom and her friends are feeling about you right now. Not just running for president, but actually believing you can be president."

WHETHER IN POLITICS OR PUBLIC HEALTH, we've witnessed the real-world consequences of disinformation and misinformation. When directed toward businesses, the costs differ but are no less tangible—meaning that confronting and combating misinformation now has to be on every leader's agenda.

Why is it a CEO's job to grapple with misinformation? In part, because they're expected to. In a recent Brunswick survey, 53% of US respondents agreed that "CEOs and business leaders should do whatever they can to stop the spread of misinformation, even if it comes from public officials." Yet only 25% of respondents thought business leaders were doing a good job of stopping that spread.

3M shows how this can be done well. Following a 2020 White House tweet that suggested the company



Modern Management of Misinformation

was dropping the ball on N95 mask production—and ordering they cease exports to Canada and Latin America to ensure supplies for the US—3M's shares slipped by around 2.5%. CEO Mike Roman took to Instagram and LinkedIn to set the record straight: 3M was producing as many masks as possible for the US market, and halting exports carried significant humanitarian implications. After working with the administration to reach a deal and amplifying it via social media, the company's stock climbed 5%.

Even when facing lower-profile challenges, silence carries reputational costs. More than four out of 10 respondents believe "trust in businesses and their leaders" are harmed the most by disinformation, while Brunswick's Connected Leadership research finds that 87% of employees and 92% of financial readers say it's important for business leaders to communicate on social media to correct misinformation.

There's no one-size-fits-all approach for how to do that, but there are a few universal principles to inform your preparation and response.

First, understand where you're vulnerable. Consider where your products, operations or objectives intersect with, and potentially run counter to, established misinformation and disinformation actors.

Second, prepare for the most likely and the costliest scenarios. Consider how you'll respond to

When your company is under attack, leaders need to correct the record.

CRAIG MULLANEY is a Brunswick Partner, an experienced advisor and a *New York Times* best-selling author.

CHAD GIRON is a Director at Brunswick's specializing in digital strategies content development. Both are based in Washington, DC.

variations on those scenarios. Rehearse your game plan under time pressure. New software allows you to practice handling simulated social media posts or doctored YouTube videos. A real threat is unlikely to mirror your rehearsal, but the act of planning is more valuable than the plan itself.

Third, build capabilities and trust before you need them. Most misinformation gathers momentum on social media. That's where you'll need to be able to respond. At a minimum, make sure you have a dedicated leadership account on Twitter, LinkedIn, or another social media platform. Better still, develop trust with your stakeholders by consistently engaging when you're not in the middle of a crisis.

One counter-intuitive word of wisdom: deprioritize fact-checking. Correcting misinformation with facts is sometimes necessary and straightforward. When environmental activists faked BlackRock's annual CEO letter in 2019 via a bogus email, for example, the company quickly took to Twitter to say the letter was fake and that the real one was forthcoming. Simple and effective.

Yet facts aren't as useful at countering lingering misinformation issues or persuading conspiracy theorists. Here, new evidence tends to be reinterpreted to reinforce existing beliefs—or simply disregarded altogether. Shift your target—heart, not head—and tone. Our internal research has found that statements of an organization's values or stories of its positive contributions prove more effective than facts and figures. "When dealing with people," Dale Carnegie wrote 85 years ago, "remember you are not dealing with creatures of logic, but with creatures of emotion." It remains sound advice for CEOs—and not only in their campaigns against misinformation. ♦

TO BE HONEST, I NEVER THOUGHT THAT I could be an entrepreneur,” recalls Julian Teicke. The founder of several successful companies, including the Berlin-based “insurtech” business wefox, a group intent on redefining the insurance industry, recalls that in the late 2000s, he was an inexperienced student with little self-confidence. His fellow students at St. Gallen University were on track to become investment bankers and consultants—neither of which seemed right or even achievable to him. He thought of becoming “a cook.”

“I actually applied to [British chef and restaurateur] Jamie Oliver and I got turned down. At that point, I said OK, there’s no choice but to go into business,” he says.

An internship at Groupon became his proving ground.

“Day two of that internship, somebody said to me, ‘Your manager is burned out. Can you take

design—just throw people into cold water and see if they could swim.”

Within six months, his team was outpacing its sales projections and he discovered he had a gift for leadership. He quickly became an international sales manager with the company and then left to create shopping platform DeinDeal, the first of his successful startups. When he sold it to Swiss media and ecommerce group Ringier in 2015, DeinDeal had about \$100 million in annual revenue. Since then, in addition to being founder and CEO of wefox, he has helped launch companies like HeartSpace for remote work, Doctorly for healthcare, and Kenjo for human resources, plus an umbrella investment firm Force Ventures. All are focused in one way or another on reimagining our world.

wefox parses consumer data to increase its customers’ awareness of their risks, betting that such knowledge will lower the individual’s risk and the company’s overall exposure, thus allowing it to

JULIAN TEICKE, founder and CEO of wefox and several other paradigm-challenging tech platforms, talks about his past, his strategy and his outlook with Brunswick’s **NIELS SCHLESIER**.

Reimagining LEADERSHIP

over?’ Suddenly I was responsible for 20 salespeople, and nobody was telling me how to do that job. I went to a friend in HR and said, ‘What should I do? Nobody’s telling me what to do.’ And they just said, ‘Hey, just go for it. Just jump in and do things.’ So I starting writing all of these messages to the sales people, telling them what to do. Then a manager above me comes and says, ‘You’ve created the most chaos possible. Everyone is just completely confused,’” Julian recalls.

But apparently that confusion also netted some favorable results.

“When he left, he said, ‘Keep it up,’” Julian says. “That was a huge lesson for me. I think it was by

offer insurance at lower costs. The business grew by 600% in 2020 and has its sights set on the US and Asian markets. Teicke’s goal is to dominate the insurance market, simultaneously bettering the lives of customers.

That combination of ambition, innovation and social impact is at the heart of Teicke’s mission, as Brunswick’s Niels Schlesier discovered when he sat down to interview him in April. It’s a strategy that puts wefox at the center of what Teicke sees as the “next wave” of the internet data revolution, and he is vocal about the company taking a leading role in creating “a new ethical standard.”

The conversation ranges from Europe’s growth



PHOTOGRAPH: COURTESY OF WEFOX

as a tech hub to his evolving views on holacracy—a philosophy of management that relies on the autonomy of individual teams and management approaches. Through it all, the theme of redefining business remains constant.

Entrepreneurial success stories are nothing new to Germany—the Siemenses, the Boschses, the old industry. But there are few younger tech companies, if you compare it with the US, China or Israel. Why do you think that is?

The biggest reason is the availability of capital. It's also cultural of course. But both of those conditions are changing.

TECHNOLOGY IS REDEFINING INSURANCE AND WEFOX IS AT THE FOREFRONT OF THIS NEW PARADIGM.

What we're seeing now is the first wave of people who have made a lot of money—founders, entrepreneurs, investors. They're reinvesting that money in tech startups, similar to what happened in Silicon Valley. We're also going to hopefully see more capital from the government, which played a huge role in the US and in China, particularly with regard to innovation. I think politicians here are more open to that now.

The culture piece is a deep-rooted issue in Europe, especially Germany, that we need to overcome. We need to shift to the idea of allowing mistakes to happen, of taking risks. I see that mindset growing.

The next wave of the internet data revolution will involve a new ethical standard regarding handling personal data. Europe—Germany, especially—is an ideal place to develop a business model around that new standard.

Consciousness about data is high here. The percentage of people paying with credit card or Apple Pay is significantly lower than anywhere in the world. People pay with cash here. Many people here have seen two terror regimes, each with its secret police, where talking to your neighbor about things in your life could land you in prison. People know how valuable it is to have privacy. That's deeply rooted in our culture.

I think Europe will be the winner of the next data revolution. We lost the last 20 years, but we will be the winners of the next 20 years.

In wefox's early days, you introduced holacracy as a management approach—but then moved away from it. Why didn't it work at that time?

Organizations can't be run the same way as they once were. The amount of information to be processed is increasing exponentially and the old structures just can't cope. Maybe 30 years ago, a CEO of a 100,000-employee company was able to analyze his organization and make the right decisions. But today the amount of data is just too much.

Holacracy is essentially a theory of how an organization grows and changes like a living organism, rather than being led by a single person with a single ego. The organization actually decides on its own structure based on tensions in its direct environment. In holacracy, there's no boss. You create a warm place where everybody's equal.

To me, this was a beautiful, beautiful concept. But the industry we're in just isn't there yet. Our employees were socialized in a different mindset before we hired them. While they understood the

concept of holacracy, they didn't believe in it. Many people were trying to outsmart it. So, yes, holacracy is the goal, but you need to create an organizational structure that aligns with the current state of consciousness, the expectations and experiences within your organization.

With that, you create a safe space. With holacracy, we didn't have a safe space. We had a space where people felt threatened all the time. Once you have a safe space, the organizational structure can evolve step by step. Our goal continues to be to build a very progressive organization, but it will take a very long time.

You've worked with other German entrepreneurs to support the launch of the official German COVID-19 app. I also heard you speak about deploying technology to spot anti-Semitism on social media. Do tech leaders generally have a social responsibility for the impact of their technology?

Absolutely. There are some tech companies now that have more power than a US president or the German Chancellor. It is the responsibility of a new generation of tech founders to limit the power of these organizations and to use our impact for positive societal change. I really hope that our generation of founders understands this and supports the important changes required to create a fair, just society in which every single human is in power. And in which we actually create solutions for the big pressing issues of our time, rather than just making money.

So, of course: climate change. But also, what happens when people are replaced at work by technology? What do we do with so much of humanity feeling irrelevant because they have no purpose in life? These are the things that we really have to look at and find solutions for. We don't have a lot of time.

What lessons has COVID taught you as a leader of a fast-growing tech company?

I'm still trying to figure that out. First of all, fully remote works. That's something I probably wouldn't have believed before. In terms of productivity, everything is fine. In terms of culture though, everything is not fine.

What can happen in a fully remote work setup is this slow degrading of the emotional connection between employer and employee. It's similar to what happens in a slowly declining marriage if you're not paying close attention to each other. Every day the relationship gets a bit worse, but you don't realize it. And then one day, your partner is standing there

"THERE ARE SOME TECH COMPANIES NOW THAT HAVE MORE POWER THAN A US PRESIDENT OR THE GERMAN CHANCELLOR. IT IS THE RESPONSIBILITY OF A NEW GENERATION OF TECH FOUNDERS TO LIMIT THE POWER OF THESE ORGANIZATIONS AND TO USE OUR IMPACT FOR POSITIVE SOCIETAL CHANGE."

with full suitcases and says, "I'm out. I'm leaving. It's over." And you're like, wait, what did I miss?

In a business, the damage can be similarly huge. I'm still trying to figure out how we can turn that loss of emotional connection around. One of the things that we're trying to do is create workplaces that are not designed for work really, but more for people to come in and experience the company's community and culture. Something more like a clubhouse than an office.

The challenge has given all of us the opportunity to test the future of work. And the future of work is definitely remote—probably even freelance. Having multiple employers as outlets for your talents. This crisis has pushed us forward five years in terms of digitization and the future of work—which is great, but also confusing.

You are now transforming wefox into a prevention company. How would that be different from what traditional insurers will be doing?

We are rethinking everything about insurance. For a very large organization that has been operating the same way for 100 years or so, that would be very difficult to do. As a young company, we're in a very fortunate position. The incumbents have these discussions, have these brainstorming sessions, but they miss the boldness and ability to actually implement their ideas in their core business. We could go so far as to cannibalize our existing business if we need to—just create a completely new company.

With our model today, you would be paying €1,000 for your policies. With our model tomorrow you would only be paying €800 for your policies, because we will use data in order to tell you in advance about the riskiest situations in your life. So we increase your awareness about imminent and general risks. And then, on average, the risks for people that subscribe are reduced by 20%.

We are turning insurance from financial protection from uncertain risks, based on static data, into proactive protection for likely risks based on contextual data. Insurance will turn much more into a service industry than what we know of insurance. The Internet of Things—the third data revolution—will impact insurance much more than any other industry, because insurance is a product based on data.

How does that significant use of data align with your outlook on personal data ownership?

The vision for data ownership is: Every human owns their own data and has a hub where they essentially see which company or institution currently

has access to what data about them. As a user, I can restrict or give access to my data to trusted parties. I can even profit from sharing data. Digital sovereignty—that’s the vision. That requires an infrastructure and a change in consciousness about how important data and privacy is. And that’s going to take a few years.

In the meantime, we have to make sure that we have the right set of rules for handling data. We don’t use data to discriminate when it comes to pricing. That’s kind of the red line in our business. Let’s say a company uses your data, Niels, to figure out you are a really terrible driver and cancels your car insurance or makes it really expensive. That’s not a responsible approach. We want to increase your awareness but not make you pay more—we don’t want data to have an impact on price for the individual.

I wonder how you know that I’m a bad driver ... [laughter]. Earlier you mentioned reinvestment from founders in the German and European tech ecosystem. With four ventures yourself, you’re also investing in other companies already. Can you tell me a bit about what your focus as an investor is?

Organizations are a great catalyst for societal change. We think that, with organizations, we can actually have a positive impact on people’s lives—the lives of the employees of those companies. So, how can we create companies with a maximum number of employees, and have the maximum impact on people’s lives?

The companies that will be the biggest in the world 15 years from now are probably not even founded or are very small today. So we focus on the nine or 10 largest areas of human demand—those will be similar in 15 years. For each one, we want to build one company, a smart market-entry model with the potential to actually be the global dominator in 15 years.

Let’s look at these large areas of human demand. You get paid \$100 from your employer. Of that, \$50 goes to the state, \$17 you pay for living, \$12 for mobility, \$7 for food, \$5 for insurance, \$4 for healthcare, \$2 for other services, \$2 for entertainment and a dollar left for savings.

At the top, for improving hiring and getting employees that \$100 in the first place, we started Kenjo. For insurance, that \$5 space, we have wefox. We’ve created a business for the \$4 space, healthcare, called Doctorly.

Our philosophy is, every company can become huge if it has two pillars. First, it has to have a vision

“WE DIGITIZE
90
PERCENT OF
THE INSURANCE
MARKET AND WE
ESSENTIALLY
ACHIEVE MUCH
BETTER RESULTS
THAN ALL OF
THE OTHERS.
FASTER GROWTH
AND BETTER
PROFITABILITY.”

ambitious enough that it triggers you to always think big. Let’s say you’ve built a multibillion-dollar business. If your goal is to be the global dominator in insurance in 15 years, you are still in kilometer one of the marathon. The second pillar is having founders and CEOs that never give up, no matter how big the hardship, no matter how tough it becomes, no matter how impossible it seems, or how painful it is. Every time they get hit, they get up again.

The big vision and the resilience. If you have those and also have the perspective of creating positive societal impact with your organizations, then you have a good chance of actually creating some positive change.

This year, during COVID, wefox turned profitable in its insurance business. You decided to put the US expansion on hold and relaunched all the businesses under one single brand. What’s next for wefox?

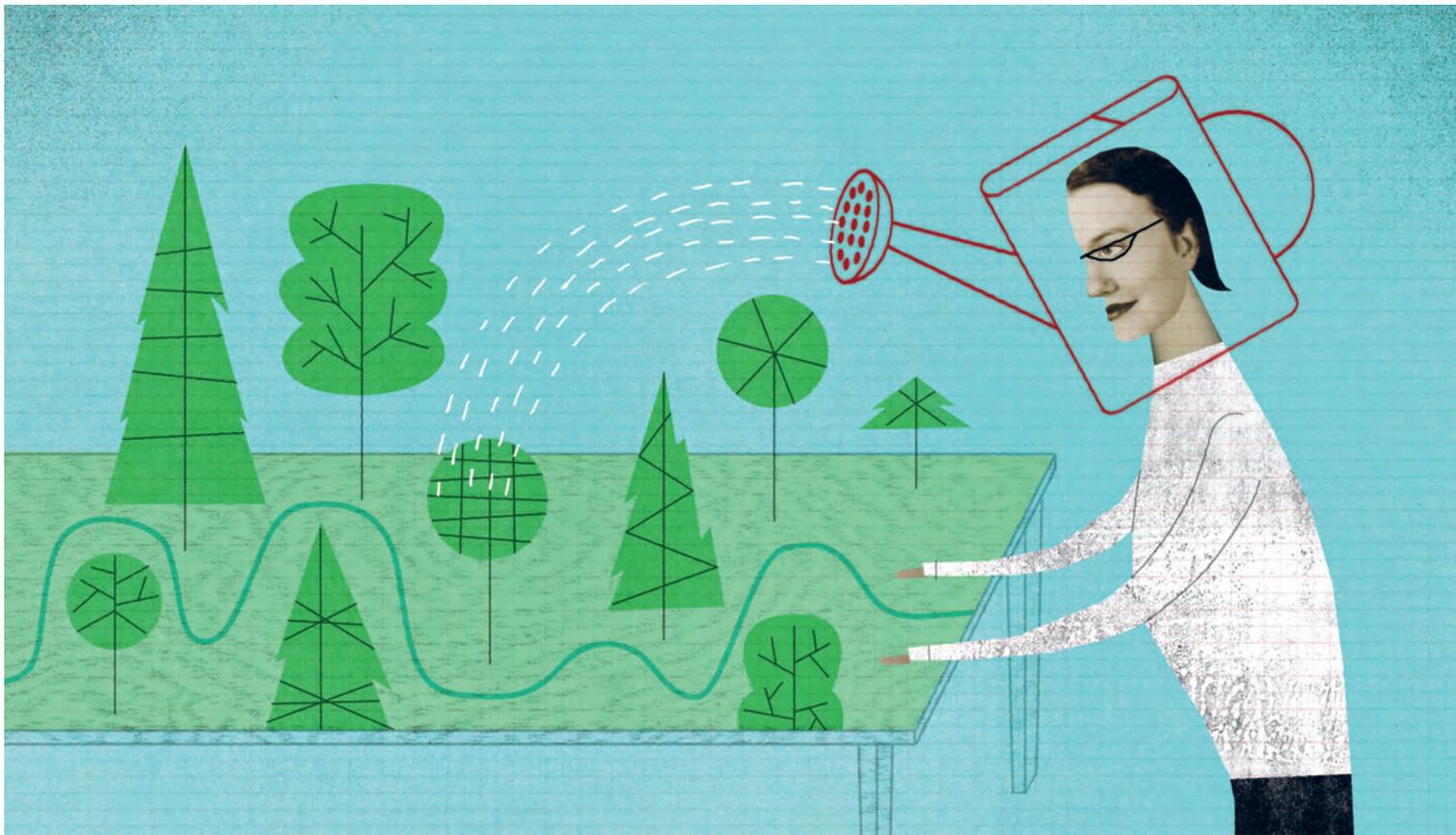
The rebranding has been really important because it helped simplify the story to our employees and to our customers and investors. wefox started as a distribution business, then had an insurance company, and then launched an API platform. What we are is a digital insurance company—but different from other digital insurance companies in the world.

Most other digital insurance companies do direct distribution. And that’s around 10% of the insurance market today. What we do is indirect distribution. We digitize 90% of the insurance market and we essentially achieve much better results than all of the others. Faster growth and better profitability.

Our book last year has grown by 600% on the insurance side. We have been profitable on the insurance book while growing at that pace. We’re ready now to really spread to other markets. First of all, we’ll take our model all over Europe, where we’re still missing a couple of countries. Then we’ll go to the US and Asia.

The way we think about insurance is a little bit like what Tesla did for the automotive industry. No time soon are we going to be anywhere close to the large insurance companies when it comes to revenue. But we’re scaling much faster and more sustainably—using technology to be more profitable and customer-centric. We’re going to pass the large insurance companies in terms of market cap, but at a lower revenue. And much faster than anyone thinks. ♦

NIELS SCHLESIER is a Director for Brunswick in Berlin, and a member of the firm’s global Technology, Media and Telecoms Sector group.



MANY CORPORATIONS HAVE BEEN VOCAL in recent years about their commitment to environmental, social and governance concerns, taking them as seriously as they do financial returns. But attempts to measure and account for that commitment have been scattershot. The boardroom in particular has remained something of a black box on these issues. Even there, however, growing pressure on ESG has spilled into headlines, notably with recent actions against oil and gas companies.

Research by NYU’s Stern School of Business in January 2021 attempted to shine a light into that boardroom black box. It found that expertise on ESG matters critical to businesses remains sorely lacking among their board directors. Looking at the résumés of over 1,100 board members of Fortune 100 companies, it found less than a third had any relevant experience in ESG. When isolating aspects of ESG most impactful for particular companies, the percentage of board members with relevant experience dwindled to single digits.

Tensie Whelan was the author of that report. She is the Director of the Center for Sustainable Business at New York University’s Stern School of

DIRECTORS

Brunswick’s **MARIA FIGUEROA KÜPÇÜ** talks to Professor **TENSIE WHELAN**, Director of the Center for Sustainable Business at NYU’s Stern School of Business, about the need to reshape corporate leadership for the future.

Learn Their ESGs

Business and the author of a steady drumbeat of research and professional insights into ESG concerns, particularly climate change. Whelan is the former President of the Rainforest Alliance and has served on numerous advisory boards both for

ILLUSTRATION: DAVID PLUNKERT

nonprofits and corporations. She previously served on advisory boards with Unilever and Nespresso and currently serves on the advisory boards of ALO Advisors, Buzz on Earth, Giant Ventures, Arabesque and Inherent Group.

Tensie spoke about her view of the current ESG landscape with Brunswick Partner Maria Figueroa Küpçü, who leads the firm's US Business and Society practice and is Head of its New York office. While the discussion focused on the critical role of boards, it included insights into corporate leadership on ESG in general and how ongoing pressure from investors to meet short-term financial predictions continues to weigh on the progress toward more sustainable business practices.

What's different about this moment and ESG?

One of the things about transformational change is that when you're in it, you can't really tell that it's happening. That's true throughout history. So we see these different drivers, but we don't know if this moment is different or not. This time, it feels different.

While many have been talking for many years about climate change and diversity and racism issues and the need for companies to work with their stakeholders in a value creation way, it hasn't been seen as existential or mandatory. Today, it's becoming very hard to say this is a nice-to-have, not a must-have, when climate change is very clearly affecting business and people in all different ways, when governments are saying they're going to go net zero by 2050 and that's going to mean massive regulatory changes. It's very difficult to do that when, in this country at least, the kind of preponderance of evidence around racism and unconscious or implicit bias in business is becoming clearer and clearer.

I would say another major driver is the lack of government leadership. In the past, business could say, "Well, that's government's responsibility to tackle some of these issues." But today many big businesses have more money than small countries and more influence than medium-sized countries in certain ways. Increasingly too, the transparency of what businesses are doing is something that customers can see very easily and hold them account to.

These different trends are coming together to create not a moment but actually a massive shift, a paradigm shift.

What are some of the pressure points that you think companies should be watching more carefully?

There are several levers. Increasingly, investors are saying, "We need to understand how you're performing on these issues to include in our assessment of you," whether it's to establish your creditworthiness, or for private or public equity investments.

CFOs, who need to talk to those investors, are noticing that the ESG reports developed by their sustainability folks are not necessarily as robust as they should be. We also saw the SEC put forward an ESG risk alert—they're going to start paying much more attention to what investors are saying about their own ESG practices. That's happening in Europe as well.

Another lever is consumers. We've done research in retail and what we've found is, in the last five years, 55% of the growth in consumer-packaged goods came from sustainability-marketed products against virtually all of the CPG categories. That's personal care and food products. When we first started tracking this in 2019, we saw conventional dairy, for example, at -10% growth and alternative, plant-based or organics at +10%. Six months later, the two biggest dairy producers in this country declared bankruptcy. And it's not only products, but consumers are also looking for where the companies stand on important issues of the day such as immigration or, in this country, voting laws.

Then, on the regulatory side, the Biden administration is getting much more involved proactively in this area. In the EU, the IFRS, the body that oversees international financial accounting regulations, is now creating ESG standards. And I heard the acting commissioner of the SEC talk about it—creating their own standard and harmonizing with others. So, we're starting to see harmonization amid the chaos that we have out there around different standards. That will drive more and better reporting hopefully.

I would say the millennials and Generation Z see this as existential to their future. They care about these issues and they want to work for companies who care and share their values. As companies are trying to compete for the best and the brightest, they need to be authentic in terms of their sustainability investments.

So on every front I think we're seeing a real coalescence around sustainability. And then as a final point, I would say that our research is demonstrating that sustainability is basically the next wave of good management. Sustainability can drive innovation, operational efficiency, risk mitigation, employee engagement. If you approach it as a total quality management opportunity, as opposed to a compliance mentality, you can unlock a lot of value not only for your own company but for all your stakeholders, which then ultimately unlocks more value for you.

What prompted you to do the research on board expertise and what did you learn from it?

I have sat on a couple boards and I've worked with boards and I was intrigued about what I perceived as a lack of understanding about the issues.



We looked at Fortune 100 board members (1,188 of them), and we looked at their ESG credentials, described either on the financial disclosures to the SEC or on the corporate website. We figured if they think it's important, they'll put it in those two places. What we found is that only 6% of Fortune 100 board members have relevant environmental experience and only 6% have governance experience. When you look at cybersecurity—huge issue—only eight board members of 1,188 have credentials in cybersecurity. Look at the environmental side, climate—huge issue—only three board members in 1,188 have climate credentials. Two have water credentials—also a super important area.

Even on the social side, 21% had experience, but there's nobody with experience in worker voice. You had people with experience in diversity, healthcare (although most of the healthcare people were mainly on healthcare company boards). But nobody with a worker perspective.

So there are huge gaps. When you look at the industries—huge climate impacts for property and casualty insurance and no climate expertise on the board, for example. Really fascinating and concerning to see the lack of expertise on material ESG issues.

We looked at a pharmaceutical company that had been sued regarding opioids. Pharmaceutical companies have major environmental challenges, major social challenges and major governance challenges. There was not one person with ESG credentials on that board prior or even after that crisis.

In terms of what boards can do, there are a growing number of ESG credentials courses for board members, including at my own institution. Secondly, the boards need to work with the C-suite to understand their material ESG issues and determine where they might need some expertise. If you don't know the right questions to ask, it doesn't really help to try to just hire that expertise.

And when you hire board members with expertise, they shouldn't be tokens. Just like putting one woman and one Black person on the board doesn't mean that they can suddenly change everything for all women or all Black people. It's the same for ESG. You put one little environmental person on the board, they can't change everything. You need to actually carry that through. For example, one way you can do that is to create a standalone ESG committee that works closely with company leadership on embedding ESG into the business strategy, on tying compensation to ESG KPIs, on doing risk scenarios.

What's your best argument for a board member who says, "What we've always done is still working for us. I'm not really seeing a lot of material risk in this," or, "We don't have space for any of this new kind of expertise"?

I would say that sustainability is driving both huge innovation and growth for those companies who are getting out in front of it, and

it is also causing huge risk for those who are falling behind. Your role as a board member is to ensure that the company is pursuing a good overall strategy. That is what you're supposed to do. If you're not paying attention to those material issues that can create a competitive advantage or create a major risk, you could potentially be held liable for not holding up your contract as a board member to do the best for the company.

What we're seeing from the research is that companies that have embedded sustainability are outperforming those that don't. We did a meta-analysis of 1,000-plus academic studies over the last five years and found that there was a positive correlation between corporate financial performance and ESG. Increasingly it's becoming clear that this really drives good business.

Is inequality coming more sharply into view in the same way that sustainability has? Is it following the same trajectory?

I see inequality as part of sustainability, part of that social piece. When I talk to companies, the two issues that they talk most about are climate change and inequity—inequity in gender and race, but also wealth, including CEO pay versus worker pay. All of those different elements of inequity or inequality.

They're at the very beginning of that journey. And there's no data out there on how companies are performing on metrics around inequality within the company. That is changing as the SEC is now requiring some reporting around human capital, and as states and investors are asking for EEOC reporting to be made public.

Externally, the license-to-operate question will continue to grow. The massive inequality that we're seeing—a tiny percentage of people controlling 85% of the wealth—that is not a long-term recipe for success, and business is already being caught up in the populist backlash to that. They don't quite know what to do about it yet, but I think they're beginning to focus on it.

The slowness to adopt these changes, is it just a question of inertia, people just doing things as they've always done? Or is it more that boards are dedicated to the old notions of shareholder primacy?

I think bureaucratic inertia cannot be underestimated [laughter]. People don't like to change. People have their relationships, their ways of doing things. It's very hard to move ocean liners quickly to avoid icebergs.

There's also a hangover of belief that this is a drag on the bottom line. Looking at the '70s and '80s when we had "sustainable products" that actually didn't work well and didn't get good response in the marketplace, and socially responsible investing that was mainly negative screens that didn't perform that well. People now point to that and say, "Well, this stuff doesn't work."

"IN THE LAST FIVE YEARS, 55% OF THE GROWTH IN CONSUMER-PACKAGED GOODS CAME FROM SUSTAINABILITY-MARKETED PRODUCTS."

I would say though, that every time we have a generational shift, things get better. When I first got into this business, the CEOs, to a man—because they were all men, you know—thought this was all ridiculous. And now, this next generation says, “Well, this is important, but I’m struggling to actually move it forward because I have this shareholder pressure to focus on short-term quarterly results.” At least they get it, whereas before they didn’t even know what you were talking about.

I think the next generation will say, “Actually, this is core to what I’m going to be delivering here as a CEO.” There obviously are CEOs of that older generation who are doing that now—there are always exceptions.

We saw during COVID that despite the Business Roundtable statement, despite statements that say, “We care about our workers,” boards and CEOs went ahead with massive executive compensation packages, with share buybacks, with dividends, and at the same time laid off or substantially reduced their labor force. So there is an ongoing emphasis that is very strongly entrenched.

Regardless of what they say, investors continue to reward that and to discourage more constructive behavior. Over and over again I see investors having a fit when a company announces, “I’m going to increase pay to my front-line workers.” So you see that ongoing challenge.

I think the other area, too, that’s really challenging is more and more companies are owned by private equity. A large contingent of private equity—not all—make their money through short-term engineering, and loading companies up with debt, and reducing their labor force. You can’t get off that roller coaster because the pension funds, for instance, invest in it—they have a fiduciary duty to make a certain return and they can make those returns through this short-term approach. If they want to go to a more long-term approach, they’re not making the returns that they’ve committed to at a time when it seemed like it made sense that you could commit to whatever it was, 10% return on your portfolio.

So we do have some very entrenched shareholder primacy/short-term capitalism approaches that are going to really take time and real effort to remove. It’s not going to happen overnight.

Speaking of the change in generations: You wrote recently that the changes in MBA programs are happening rather slowly. Is there growing momentum to build this into the next generation?

I’m seeing much more momentum in the last year or two than I saw earlier. If you look around the world, virtually every few months a university is creating a new center for sustainability on the corporate side, and more courses are being offered. You’re seeing more students.

I am getting notes from students saying, “I’m coming to Stern because of the sustainability programs.” And also, and this is the most rewarding thing as a professor, I got a note from a young woman from India who as the basis of the course she took with me went back and started a sustainable business in India.

So you see those kinds of things happening, which are very exciting. At the same time, due to the university system of tenure and the way things are set up, you can’t easily change the core courses. These are taught by people who have been teaching them the same way for 30 or 40 years. So that is challenging. It’s changing, but it takes a much longer time. Again, an ocean liner kind of challenge.

We owe it to students to prepare them and not teach them outmoded ways of thinking about things. There’s a lot of work to be done still. But I feel very, very supported at Stern in what we’re doing, and there’s complete commitment by the dean of Stern and the president of NYU.



“OUR RESEARCH IN EVERY SINGLE AREA IS FINDING THAT SUSTAINABILITY DRIVES BETTER PERFORMANCE. WE NEED TO BUILD THAT INTO OUR CORE BUSINESS STRATEGIES.”

Are you a fan of quarterly reporting, going back to these issues of short-termism?

I’m not. I understand the rationale that you want to keep people accountable, make sure that they’re managing things well. But I think that it really drives perverse incentives the way it’s currently structured. The way Unilever has set this up where they provide guidance but have basically told their investors they’re not going to provide quarterly calls and quarterly reports because they want to focus on what’s best for the business in the longer term, to me that makes much more sense.

I think the key thing we need to remember is that managing for the price of the stock is not the same as managing for the well-being of the company. When we have quarterly reporting, that generally causes an extreme focus on managing for the stock.

Our research in every single area is finding that sustainability drives better performance. We need to build that into our core business strategies.

These coming decades are going to be very traumatic in terms of environmental and social issues but also will create an enormous opportunity for business to design new services, processes and products that are going to help solve for those issues. Business has the opportunity to shape our lives in a positive way.

I think that will be very motivating to people working at the company, to suppliers with the company, to investors in the company, to consumers of their products. It’s a great opportunity, and I hope people will take advantage of it. ♦

.....
MARIA FIGUEROA KÜPÇÜ is Partner and Head of Brunswick’s New York Office. She also leads the firm’s US Business and Society practice. She previously worked as Director of International Political and Corporate Campaigns for the research firm Penn, Schoen & Berland Associates, and at the United Nations.

BY NIGHT VICTOR SÁNCHEZ WAS A YOUNG Spanish star bartender serving up cocktails with straws for world renowned brands. But by day, he was dismayed to find that single-use plastic washed up on the Barcelona beaches where he liked to surf.

In 2014, before single-use plastics became the high-profile issue that they are today, made famous by the picture of a sea turtle with plastic straws stuck up its nose, Victor set out to solve this major ecological problem, eventually inventing an edible, 100% biodegradable straw.

Victor isn't an eco-warrior or activist, just a man trying to solve a problem. He isn't against plastic and recognizes its huge value in many areas of life from aeronautics to medical devices to lifestyle applications. His ambition, however, is to reduce the need for single-use plastics where alternatives can be found. The US alone uses over 550 million plastic straws a day and estimates are there will be more plastic in the sea than fish by 2050.

Victor sought out professors at the University of Barcelona to research how a 100% biodegradable straw could be designed and manufactured. He found financial support from Pascual, a Spanish dairy company, and the Government of Catalonia.



Ove Fondberg (left) and Victor Sánchez (right) holding their edible, 100% biodegradable straw.

STRAW MAN

Using sugar beet from France, along with several secret ingredients, Victor was able to develop a straw with the right consistency to ensure it gave consumers the same experience as a plastic straw. It remains rigid for longer than paper ones, but improves the drinking experience using flavors to enhance the taste.

“You need to love your problem and ensure your mind is open and recognize there is no limit to development ambitions,” Victor said from his production facility in Barcelona.

Victor called his straw “Sorbos” meaning “sips” in Spanish, and with it he started on an ecological journey that is slowly becoming a movement with considerable public support.

He brought on friends to support his fledgling business, working out of a small 80-square-meter

The story of an entrepreneur with a simple ambition and an extraordinary determination to change the world with an everyday product and a global ecological movement.

facility. Having started with a converted pasta machine, the team worked with engineers to develop bespoke machines to mass produce the straws.

Initially, Victor sold a small number of his straws online, but he needed professional support to take it to the next stage. Through the Spanish Chamber of Commerce he was introduced to Ove Fondberg, an experienced investor, who had had a long career in the drinks industry in Scandinavia and investing around the world. “Victor was looking for investors but wanted someone who was a believer in the ‘movement’ and had industry distribution experience. Someone who understood how to bring new drinks concepts to market,” said Ove.

Sorbos started to increase production and sales in Spain and then in 2018, started exporting to France,

Holland and the UK, selling pallet by pallet. In 2019, single-use plastics emerged as a global issue and the hospitality industry looked for alternatives. Paper straws didn't work and producers started strengthening them with microplastics. Sorbos offered a real alternative and the business quickly took off.

"Our big breakthrough came when we entered an exclusive global partnership with Bacardi for branded straws. Eight million straws, lemon and lime flavored—it was a big volume for us at that time. Sainsbury's, a large supermarket chain in the UK, called it the best launch since Red Bull," said Ove.

Then came Carnival, the world's largest cruise line. With many Americans on their ships, Sorbos gained interest from the US market. By mid-2019 the business was growing incredibly fast, with sales from Turkey to South America. "We were flying, but the growth was too quick; we had massive interest, but were limited by our production capacity," says Ove.

In late 2019, as virus rumors emerged from Wuhan, China, Ove knew something was about to change and pushed hard to launch a retail pack, a year ahead of schedule. "I think this saved the company," he said.

Demand from hotels, amusement parks, cruise lines and fast-food chains stopped overnight. Thanks to Ove's quick thinking, Sorbos, which until then had principally focused on wholesale bulk trade, switched into retail sales online and through supermarket chains across Europe, the only place the public could go. In March 2020, when they were told by the government to close their factory in Barcelona for lockdown, they had a retail pack selling in Carrefour and other major European supermarket chains, stock-in-hand and cash flow in the system.

Despite COVID, Sorbos has doubled its production in recent years to meet demand. From

"WE ARE CLEAR THAT EVERY PRODUCT WE SELL SHOULD CONTRIBUTE TO PROTECTING THE ENVIRONMENT."

RUPERT YOUNG is Brunswick's Senior Partner in the Gulf. He advises a range of companies across the UAE, Saudi Arabia and other GCC countries.

40 million straws a year in 2019, Sorbos expects to sell over 100 million this year. With the hospitality industry slowly reopening, Sorbos is looking to sell up to 200 million straws in 2022. The North American market is growing fast and the company is seeing strong initial interest from Asian markets, especially Japan and South Korea. In the Middle East, Sorbos has just entered a partnership with Lulu, one of the largest regional hypermarket chains.

Later this year, to meet the demands of consumers who don't want the calories (there are 27 in each straw), Sorbos will launch a sugar-free product. "This isn't just a straw, it's a new concept, a new experience. We understand that different people want different things and we have to work hard to give them what they want. And we are looking at other single-use plastic product categories to keep ahead of new market entrants, such as ice cream sticks.

"Business partners and investors are knocking on our door. We want to partner with people who are as motivated as we are. They need to fit our ethos of 'experience and conscience'—a great tasting product that is good for the environment," says Victor.

"Although some price-sensitive markets see our products as expensive," says Ove, "we are clear that every product we sell should contribute to protecting the environment. Each sale makes an automatic contribution to environmental programs such as saving the Amazon or cleaning the oceans. Consumers can choose which cause they want to support through a QR code on the packaging. In addition, Sorbos plants trees to match the cardboard it uses in its packaging.

"We have been very lucky with our timing despite the complexities of the engineering and have never given up. We want to make people happy again and our product can help."♦



Images of marine animals eating or being entangled by plastic caused global distress and made single-use plastic a high profile issue.

PHOTOGRAPH: RICH CAREY

JULY 1990. A PRESS CONFERENCE IN BERLIN. East Germany's caretaker government—the last of a country that would soon cease to exist—just signed a major natural gas contract with Russia. Prime minister Lothar de Maizière is keen to be the one to break the news to the media. A young woman in a light blue summer dress hands out press releases to the assembled journalists. The prime minister's deputy spokesperson, she soon has journalists' undivided attention at the post-announcement Q&A. She answers questions left unanswered by the men on the rostrum.

Goodbye, Angela Merkel

Her name is Angela Merkel. This is how we met. I was there that day as a political correspondent for the *Frankfurter Allgemeine Zeitung*, Germany's premier daily.

Five years later, February 1995 in Chernobyl. Angela Merkel, now Germany's minister for the environment, is inspecting the nuclear power plant. Plans are underway to entomb the destroyed reactor block in a new protective sarcophagus. A few journalists are on board for the jaunt. One, a reporter from the German magazine *Der Spiegel*, poses some rather aggressive questions, infuriating the management of the plant, which is still up and running. The acrimony threatens to derail the fact-finding mission, embarrassing Merkel, who only just took office.

As her reign nears its end, Brunswick's **CARL HOHENTHAL** recalls the politician he knew long before her 16 years as German Chancellor.



Angela Merkel, shown here in 1991, served in the East German government before the reunification of East and West Germany.

Merkel takes the reporter to task at breakfast the next morning. Choosing sharp words and speaking bluntly, she says she will not stand idly by while he ruins her visit. If the grandstanding continues, he will be making his own travel arrangements—and good luck getting back to Germany. Merkel’s entourage is astonished. How could she berate a reporter from a magazine as powerful and influential as *Der Spiegel*? Chancellor Helmut Kohl, who disliked the media and despised *Der Spiegel*, never ripped into a journalist with the ferocity of this young minister from the east of Germany.

These two incidents show the extent of Angela Merkel’s range. Highly intelligent and analytical, she does the grunt-work research it takes to speak with authority. And she is tough and fearless. These qualities also caught the eye of then-chancellor Helmut Kohl in 1990, the year the GDR ceased to exist, when he was looking for resilient politicians from East Germany. Kohl recruited Merkel for his team after Germany’s reunification, assigning experienced staff to advise her. Soon after, in 1991, little-known Merkel became deputy chairperson of the Christian Democratic Union and minister for women and youth, at the time a less important cabinet position, but still a fine opportunity to learn and practice. Many in the party dismissed Merkel—“Kohl’s little girl”—as a featherweight. She registered on no one’s radar as a heavyweight contender.

A group of junior CDU politicians, exclusively male and West German of course, had banded together in the 1980s with the long view of reinvigorating the post-Helmut Kohl CDU. Some members of this self-styled “Andean Pact”—this men’s club had formed on a jaunt to South America—gained influence over the years. Although not immune to the one-upmanship that the male political animal so often engages in, they were determined to support one another and set the course for the Christian Democrats. For these would-be captains, the helm of the CDU was no place for any woman, let alone a Lutheran from the East.

Angela Merkel took measure of the situation, biding her time to study these men’s characters and party etiquette, all the while excelling in her designated cabinet position. Her stellar performance earned her a promotion to minister of the environment in 1994, a far more important position she would hold until the curtains closed on the Kohl administration in 1998. The Social Democrats took over in a coalition government with the Greens, freeing Merkel to focus fully on her party and opposition politics. She stepped up to become the CDU’s



Merkel in 1991, top, with German Chancellor Helmut Kohl. The bottom photograph was taken in 2000, the year she became Chair of the CDU.

**MERKEL TOLD
NO ONE OF
THIS LETTER.
INSTEAD, SHE
LEAKED IT TO
US AT THE
FRANKFURTER
ALLGEMEINE
ZEITUNG.**

secretary general under chairman Wolfgang Schäuble, today president of the Bundestag and its longest serving member.

In fall of 1999, events took a turn that would reveal much about Merkel’s nature. Allegations surfaced that Kohl had for years maintained a secret slush fund. These untaxed donations to his party were illicit, yet Kohl broke the law again by refusing to disclose donors’ names. The “black money” scandal rocked the CDU and sent the “black giant”—Kohl’s nickname was a nod to the CDU’s political color—reeling. The uproar echoed nationwide. As secretary general of the CDU, Angela Merkel kept her peace, but quietly wrote a letter two days before Christmas. What began as a hymn in praise of Kohl went on to criticize his behavior and ended with a demand for the CDU to part ways with its almighty patriarch: “The party must learn to walk.”

Merkel told no one of this letter. Instead, she leaked it to us at the *Frankfurter Allgemeine Zeitung*. I was the newspaper’s parliamentary correspondent. Merkel knew that my colleague Karl Feldmeyer had reasons aplenty to loath Kohl. Feldmeyer and I talked about the letter, acutely aware of what impact it would have. He chose to publish the mis- sive. It slammed home like the missile that it was. Party chairman Wolfgang Schäuble raged at this betrayal, but lacked the courage or strength to do what duty demanded of him—fire Merkel. Rising from the ashes of the letter bomb, Merkel’s ascent to the top of the party was unstoppable. She took the party chair in 2000, vacating it only of her own volition in 2018.

This story reveals how badly the party’s matadors had miscalculated. The daughter of a Lutheran East

German pastor took over the thoroughly Catholic West German CDU. Merkel has since repeatedly demonstrated her remarkable ability to learn and adapt. A case in point: The CDU needed a chancellor candidate for the 2002 election. Accurately assessing her strengths and options, Merkel shrewdly eschewed this opportunity, leaving it to the leader of the CDU's sister party, the Christian Social Union and stepping aside graciously without rancor or ill will. Edmund Stoiber, then the prime minister of Bavaria, lost the election to Gerhard Schröder by a whisker. Merkel escaped unscathed. Stoiber retreated to Bavaria, a spent political force rendered harmless to her interests.

Merkel again showed her mettle in 2003. The new platform she presented at the CDU party convention in Leipzig put business first, its agenda market friendly through and through. Much to the astonishment of many, Merkel persuaded the party to adopt her platform. It nearly lost her the 2005 election. She was lucky to narrowly oust the SPD's Gerhard Schröder, but the political price for victory was a chancellorship in a grand coalition with the SPD.

Merkel's neoliberal advocacy earned her pointed criticism from within the party's ranks. Those sour notes would not be forgotten. This was the last time she would let ideology get in the way of necessity. Her 16 years of government since have been all about political pragmatism. Her ability to go with the flow has left her open to the accusation that she lacks vision and ideas as to what Germany should be all about. Yet this practicality is the very reason she has remained unchallenged over all these years. It has made Angela Merkel Germany's pre-eminent politician.

Former German chancellor Helmut Schmidt wryly remarked in the late 1970s that people with visions ought to see a doctor. The 20th century's dark legacy has left Germans understandably wary of political visions. But there is nothing wrong with Angela Merkel's eyesight—or foresight. Her powers of observation are keen. Merkel paid her respects to Recep Tayyip Erdogan in Turkey soon after he took office. Upon her return, she attended an intimate dinner party with the executives of a major German corporation. Asked about her impressions, she noted that Erdogan's study lacked something normally seen in every government office—a portrait of Kemal Atatürk, the founding father of modern Turkey. She predicted Erdogan would be one to make waves—this was clearly a man on a new mission centered on himself.

Even after so many years as chancellor, Merkel's

**SHE GETS BY ON
LITTLE SLEEP.
ABLE TO NEGOTI-
ATE FOR NIGHTS
ON END, SHE
CAN HOLD HER
ALCOHOL BETTER
THAN MANY.**



Merkel in 2017 applauds the winning of her fourth term as chancellor. Former US President Obama, below, urged her to run that year to provide stability in the era of President Donald Trump.



remarkable stamina is undiminished. She gets by on little sleep. Able to negotiate for nights on end, she can hold her alcohol better than many. In early 2015, several days of negotiations with Russian president Putin and his Ukrainian counterpart Poroshenko culminated in the Minsk Agreement. The final and decisive session took 17 hours. Merkel then flew from Minsk straight to Bavaria to give her account of the negotiations at the Munich Security Conference. She showed no signs of fatigue or weakness.

One could hardly criticize Merkel's lack of a far-sighted plan for Germany without conceding that the tide of events left scant room for visions. She had three crises to contend with—the global financial meltdown that began in late 2007 and was exacerbated by the European debt debacle of 2009, the 2015 migrant crisis and most recently, the emerging pandemic of 2020. Merkel always keeps her cool and never loses her nerve. Her composure instills confidence. People feel safe with their fate in her capable hands, hence the nickname Mutti, the mother of all misnomers. Angela Merkel is anything but the matronly sort.

The Madonna image faded, giving way to the Woman of Steel during the refugee crisis. Germans, like their neighbors, were hardly jumping for joy at the prospect of a wave of migrants. Yet Merkel's resolve would not be weakened by popular opinion. She saw no other option but to open Germany to the million or so people stuck on southeastern Europe's roads.

A pastor's daughter, Merkel had interacted with disabled persons as a child. Her humanitarian values are genuinely Christian, and she remained true to her beliefs in the refugee crisis. Many people resented

her for that, but her calm, common-sense demeanor prevailed. It won her a fourth term as chancellor in the 2017 elections—with some help from the blundering Social Democrats. Her decision to run again was not taken lightly. Twelve years as head of government is an eternity, and Merkel made no secret of her resolve that she—and no one else—would decide when enough was enough.

Few leaders at the top of the political food chain leave on their own terms. Merkel has always been determined to be the mistress of her destiny. As credible rumors have it, Barack Obama implored Merkel to continue heading up the German government because the West would need an experienced, rational leader with Donald Trump in the Oval Office. Merkel stepped up, but made it clear that this would be her last waltz. She relinquished the CDU party chair in 2018. That is when things started to go downhill for the CDU.

Merkel set great store by a female successor, Annegret Kramp-Karrenbauer (AKK). Elected chairperson at the 2018 CDU party conference by the slimmest of margins, AKK soon proved to be ill-equipped for the role. A rift had cleaved the party in two during the Merkel years. One camp felt that Merkel's pragmatic course leaned too far to the left. The other wanted it to bend even further—or more accurately, go greener. AKK's call for unity went unheard; her efforts to yoke these conflicting forces to the same harness failed.

Facing up to the consequences, she said she would soon resign as party chairperson, the mooted date being February 2020. Her announcement set off another round of infighting as the usual jockeying for position commenced. Even Merkel was unable to call the divided party's baying hounds to heel. To make matters worse, AKK would have to hold out for another year as the wheels ground to a halt with the onset of the COVID-19 pandemic. It was not until January 2021 that the party voted in a new chairperson, Armin Laschet.

In 2020, the pandemic would arguably become Merkel's greatest challenge. Germany is a federal republic. The states initially led the fight to contain the disease. They fared quite well until it spiraled out of control last fall. Vaccines were in short supply. The shortcomings of Germany's excessive bureaucracy and sluggish digitalization stood out in stark relief. The states' minister presidents scrambled to shift the blame to the chancellor.

This brings us to 2021 and the business end of the campaign for the next federal election. In January, the Christian Democrats' executive committee chose



Angela Merkel on the campaign trail in 1990, having a drink with fishermen.

I BELIEVE SHE IS SATISFIED WITH WHAT SHE ACCOMPLISHED. PRIDE IS NOT A TERM SHE WOULD USE. IS SHE DISAPPOINTED? PROBABLY NOT. AFTER ALL, SHE LASTED AS LONG AS HELMUT KOHL.

Armin Laschet, the minister president of North Rhine-Westphalia, to chair the party in an election preceded by heated debate. The bickering continued when the executive committee defied the will of most party members to pick Laschet as its candidate for the chancellorship. Such internecine squabbling is likely to dominate the campaign until ballot day in September.

One would think that none of this is Merkel's concern. Yet it is. She helmed Germany and her party for 16 years. For all the global recognition she garnered for her country, her party is in tatters. The Christian Democrats pretend to have a plan, but the lack of substance suggests otherwise. Their call for a new beginning rings hollow; they have had 16 years to make a fresh start. Germany is in desperate need of reforms that went undone under Merkel.

Merkel governed Germany with a steady hand, steering it through many a major crisis. A skillful manager, she husbanded her resources and used her power wisely. That is quite an achievement. But Merkel has left Germany without a compass and map to chart its future in a globalized, digitalized world.

As for how Merkel herself views her legacy, it's hard to tell. She reveals little of her personal views beyond a small circle of trusted confidants. But from what I have observed of her, I believe she is satisfied with what she accomplished. Pride is not a term she would use. Is she disappointed? Probably not. After all, she lasted as long as Helmut Kohl. ♦

CARL HOHENTHAL, a veteran political reporter and editor in Germany, is a Senior Advisor in Brunswick's Berlin office.

A ONCE IN A GENERATION OPPORTUNITY

FOR ALL OF THE COMPLEXITY AND DEBATE surrounding the European Green Deal, a simple consensus has emerged: The private sector will play a vital role in its success—or failure.

To hear how a leading European business was preparing for the Green Deal, Brunswick Europe Chair Pascal Lamy spoke with Bertrand Camus, CEO of SUEZ, a French-based environmental services company whose customers span five continents and include some of the world's largest industrial producers. The company's operations include water and waste management, as well as developing cutting-edge, environmentally friendly technology capable of improving air quality or regenerating soil. Its 2019 revenue—the year Camus became CEO—exceeded €18.4 billion (\$21.9 billion).

Camus, who rose through the ranks after joining SUEZ in 1994, spoke candidly in a wide-ranging conversation that touched on everything from ESG trends to technology SUEZ developed to detect COVID-19 in wastewater.

Bertrand, what does the European Green Deal mean for you and for SUEZ?

We have supported the Green Deal since its conception and actively contributed to its development. My belief that the European Green Deal was the only possible growth agenda for the EU grew even stronger with COVID-19 and the economic shockwave the pandemic has sent through European economies. When some called it too ambitious, too expensive, SUEZ argued exactly the opposite. Yes, the investments required are huge but those investments, of which the private sector will have to support a large share, are the only sustainable recovery project to rebuild the European economy after the pandemic. At SUEZ, we support a sustainable recovery to restart the economy differently. Every step taken by policymakers and the private sector should aim at improving air quality and the quality of life of citizens across Europe.

Has SUEZ already integrated the Green Deal in its business strategy or are you waiting for the regulatory obligations to be clearly defined?

There is no wait and see at SUEZ. The Green Deal objectives are very clear, and they will guide all our

That's how **BERTRAND CAMUS**, CEO of SUEZ, sees the European Green Deal and its potential for the environmental services sector.

activities, including on the innovation front, for the next 20 years at least. We already incorporated many of the Green Deal objectives in our corporate strategy, SUEZ 2030, which we adopted in the fall of 2019. I think you can summarize our approach as being an exemplary adopter ourselves while providing the necessary tools and services to those of our clients willing to make a difference and reduce their impact on the planet without any further delay. To give you a sense of what I mean, by 2030 we committed to reduce by 45% the direct and indirect greenhouse gas emissions from our activities; to help our customers avoid 20 million tons of



CO2 emissions a year; and offer 100% sustainable solutions to our customers.

These are all impressive targets, but did you assess how sustainable your own activities portfolio is?

We did and we did it over a year before being legally obliged to do so under the EU taxonomy reference framework for sustainable business activities. I am particularly proud to report that 74% of SUEZ's 2020 revenue already qualifies as sustainable under the EU taxonomy reference framework. This means that almost three-quarters of the Group's business activities are identified by this European regulation as contributing to the preservation of the environment and the fight against climate change. And let me add that this high percentage serves as further evidence of SUEZ's strong ESG profile for investors seeking to invest in sustainable business activities.

Lastly, let me make a broader comment on ESG criteria. For the time being, the ESG debate focuses on the environmental dimension, somewhat to the detriment of the social and the governance. The EU Taxonomy needs to focus on the social governance dimension. I personally believe that the rate of gender diversity in management positions is a criterion that should be included under the taxonomy.

This is a great achievement but in the absence of regulatory guidance, how did you assess your business activities against the EU Taxonomy?

We developed our own methodology based on the work of the Technical Expert Group on Sustainable Finance, established by the European Commission, in cooperation with KPMG. Our methodology is meant to be a living document that will be updated as EU regulation is fine-tuned, and evaluation criteria clarified. For us it was essential to do so because the taxonomy benchmark plays a huge role in accelerating investment flows towards companies, such as ours, committed to contributing to put in place a virtuous dynamic for the planet. This is the kind of dynamic we need to encourage.

What are the key parameters around which the methodology is built?

The methodology identifies 2020 revenue from business activities eligible for climate change mitigation and activities contributing to the five other objectives of the European taxonomy: climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and

“THE GREEN DEAL OBJECTIVES ARE VERY CLEAR, AND THEY WILL GUIDE ALL OUR ACTIVITIES, INCLUDING ON THE INNOVATION FRONT, FOR THE NEXT 20 YEARS AT LEAST.”

reduction, the protection and restoration of biodiversity and ecosystems. Those interested in learning more about the methodology can read about it on our website.

Can you tell me more about the technologies SUEZ has developed that will play a critical role in achieving the Green Deal objectives?

I think our innovative solutions in air, water and soil regeneration are among the most advanced on the market. These solutions are developed and manufactured in Europe, which is testimony to the exceptional scientific and engineering capabilities we have, but they are not solely designed for Europe's needs. They allow us to compete for contracts on a global scale because the solutions we have developed contribute to improving our quality of life and to fighting against the environmental crisis that is already impacting all of us, no matter where we live. We are doing things unheard of a few years ago to keep our towns and cities clean and accelerate the adjustments necessary to build a sustainable, green recovery from our current crisis. Let me give you some concrete examples:

In Spain, we worked with our municipal customer in Granada to turn the wastewater treatment plant into what we call a biofactory. Thanks to biogas recovery, from a net consumer of energy, the wastewater treatment plant is now energy neutral, and it can sometimes even produce more energy than it requires to function. One hundred percent of the treated wastewater can be reused in various applications for agriculture and/or industry. We also make the most of the byproducts of wastewater treatment, turning them into biofertilizer for agriculture.

SUEZ's City Watch initiative allows for coronavirus detection in wastewater. This technology allows public authorities to detect surges in the virus at a very early stage—and it's already been deployed in several cities in France and Spain; we upgraded it to make it possible to detect variants of the virus as well. We fully subscribe to the recent communication of the European Commission inviting member states to monitor and track the virus in wastewater to halt its spreading, and most importantly to share data gathered. Exchange of best practices and solidarity must drive our action across Europe.

We offer best-in-class technology and process expertise to solve the toughest water and wastewater challenges of the industrial sector: Today, energy production and manufacturing industries account for nearly 30% of water use in Europe. With existing



technologies, we can reduce both the water and water-use-related carbon footprint of the industry.

We offer integrated solutions to measure, track and anticipate air pollution, and we are piloting new technologies for the treatment of indoor and semi-confined air in places like metro stations, schools, streets and ports, with a focus on most fragile populations: children.

SUEZ's customers include some of the largest industrial producers on the planet. Did you develop any solutions to help them transition to circular industrial ecosystems?

Yes, we are actively supporting our customers to that end and partnering with leading industrial players on recycling pilot projects. Reducing single-use packaging, for example, is a core objective in Europe. We advise brand owners and packaging manufacturers on how to make their packaging recyclable and truly eco-friendly. We also certify the recyclability of packaging, like we did with REN Skincare for their sunscreen plastic packaging.

We also aim to boost production of high-quality recycled plastics in Europe. Our plant in Maastricht aims at producing soon 50,000 tons of recycled

In Chile, SUEZ helped construct one of the world's largest wastewater treatment plants. It treats the wastewater produced by seven million inhabitants of Santiago, the nation's capital city, in a way that produces zero waste and uses no fossil fuels.

plastic pellets, to be used for non-food applications like care products and luggage. We intend to build more of these plants across Europe as the demand for recycled plastics is growing.

Along with BASF and Eramet, we are also participating in ReLieVe, an EU-funded project that aims to develop an innovative closed-loop process for the recycling of lithium-ion batteries, which will be crucial to keep electric vehicles as green as possible.

We have talked a lot about what SUEZ is already doing and it should be encouraging for politicians who are reading this. But what do you need from them as European leaders are translating the Green Deal into regulation?

From SUEZ's perspective, and I think it is true for any business, we hope to see regulation that leads to clarity, stability and reliability. The European Commission will be issuing dozens of legislative proposals over the coming months and some of them, such as the carbon adjustment mechanism, are bound to be controversial. We need the EU to ensure a holistic and coherent approach between different sectors and across individual and sectoral pieces of legislation. Failing that, businesses will

get lost in a legislative maze and it could jeopardize the successful implementation of major projects such as the Green Deal.

Are you concerned this regulatory explosion could hamper your competitiveness?

I think we need the EU to set the rules in a way that allows for fair competition. We need regulation that recognizes and unleashes the innovative forces of the private sector, especially in the green sector and in green tech. We need clear regulatory signals that create incentives and new markets, which lead to new and innovative market-based solutions. The EU should aim at setting a stable, coherent and predictable legal framework to promote competition, secure investments and generate innovation. If competition is reduced in strategic sectors like environmental services, innovation will be jeopardized, and it could put the Green Deal at risk.

Are you concerned about foreign competitive pressure?

Not for the time being and not if we get the Green Deal right. I do not think many people realize that environmental services is not a field in which Europe is lagging or catching up. Europeans are world leaders. Our platform for international success is investment in innovation in a highly competitive sector driven by ambitious environmental regulation and goals. But we need to stay vigilant. We have seen before industries and markets where Europe did not manage to sustain an early technological lead. We also need to make sure that we all play by the same rules and avoid unfair practices, which can sometimes be detrimental to European industrial interests.

Europe will compete internationally by relentless innovation at home and abroad, leveraging a dynamic ecosystem made of world leaders, large utilities, SMEs and startups. Ambitious and sound environmental legislation in Europe is definitely a driver for the success for the environmental services sectors, and it creates a lot of jobs.

Environmental services are crucial for our economy and society. Competitiveness in this sector will be key to boosting the environmental transition of the whole economy and achieving the goals set by the Paris Climate Agreement.

When it comes to environmental services, we have a success story in Europe, made possible by the constant commitment and hard work of our companies and employees. We need to continue setting ourselves up for success.

“WE ARE DOING THINGS THAT WERE UNHEARD OF A FEW YEARS AGO TO KEEP OUR TOWNS AND CITIES CLEAN AND ACCELERATE THE ADJUSTMENTS NECESSARY TO BUILD A SUSTAINABLE, GREEN RECOVERY FROM OUR CURRENT CRISIS.”

Is your involvement in the European Green Deal also a challenge in terms of HR management?

The success of our strategy depends on harnessing the energy and expertise of our employees to meet the needs of our customers and our partners. That is why our “corporate culture and HR management” is one of the key transformative levers of our SUEZ 2030 vision. Four core values underpin this new corporate culture: passion for the environment, customer first, respect and team spirit.

As you can imagine, rolling out and promoting these four values across a business with 86,000 employees requires creative employee engagement solutions. Fun interactive “games” designed to boost employee’s engagement are one of the tools we resorted to. We rolled out Environment Fresco, for example, an employee engagement game explaining the challenges related to environmental preservation and how solutions developed by SUEZ Group can help our customers and partners meet these challenges.

Promoting an inclusive, diverse and equal culture is an essential pillar of that new corporate culture. On the gender equality front, we have adopted very clear targets that apply to every single entity of SUEZ Group: by 2022, 25% of our workforce being women; by 2023, 33% of management positions led by women.

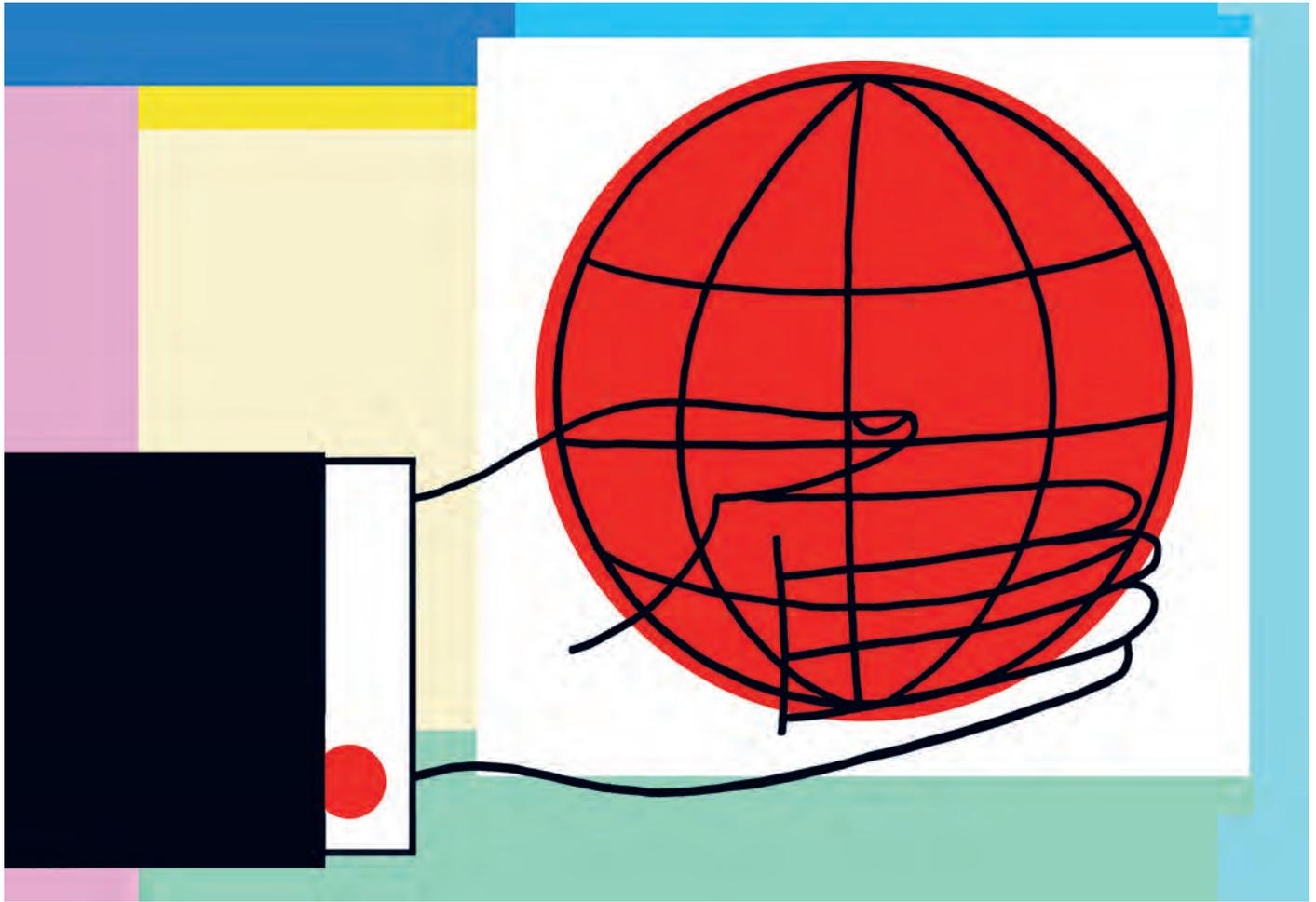
Has the Group’s governance also been impacted by your new strategy?

The composition of the Group’s Board has been strongly modified in 2020. An important objective was to increase the number of independent directors serving on the Board. Bringing in independent directors allowed us to diversify the set of skills and experiences represented on the Board.

We were particularly keen to attract profiles with significant experience in the management of large industrial groups to support our objective to strongly increase our activities in industrial markets. Our new Chairman, Philippe Varin, former Chairman of PSA Peugeot Citroën, exemplifies that focus.

With 82% of our directors being independent, 36% non-French nationals and 45% women, I’d say our 14-member board is probably one of the most diverse you can find of any large European company. ♦

.....
PASCAL LAMY, Chair of Brunswick Europe, was formerly Director-General of the World Trade Organization. Additional reporting by **GAËLLE LEMAIRE**, a Partner. Both are based in Brussels.



JAPAN INC. Eyes the World

JAPAN'S SOCIAL CULTURE HAS COLORED ITS business activities for generations, and helped make its manufacturing sector in particular a huge success. But that culture of doing business is evolving—quickly, by Japanese standards—as a result of a combination of international influences, pressures from investors and government regulators and a shifting global economy.

In particular, the country's international merger and acquisition activity and investments abroad, which were almost entirely halted during the 2020 as a result of the pandemic, are returning to life. Investors are expecting a surge in deals along with subtle changes in the way Japanese leadership conducts business. Pressures at home from an aging workforce and a declining population, along with pressures to create a green economy, are generating a mounting sense of urgency to demonstrate new robust growth to shareholders and investors.

The country's quiet approach to cross-border investment is changing.

Brunswick's
MATTHEW BROWN

spoke with two experts in Japan's M&A activity: RPC Partner **NIGEL COLLINS** and southgate co-founder

MANGYO KINOSHITA.

To gain some insight into the current outlook and appetite for cross-border M&A in Japan, Brunswick Director Matthew Brown sat down in February with two lawyers who are experts in the space. Nigel Collins is a corporate M&A partner specializing in Japanese business in the UK and Europe at Reynolds Porter Chamberlain (RPC), a leading full service corporate law firm based in London. Mangyo Kinoshita is licensed to practice law in Japan and California, and spent 15 years at international firms in Tokyo and New York before co-founding the Tokyo-based firm southgate in 2016 to focus on cross-border M&A and investment activity.

Collins and Kinoshita are colleagues in the field and have worked together on transactions. Between them, they've been involved with hundreds of international deals and investments involving Japanese companies as acquirers or targets, including some currently under way.

Japan has seen record levels of outbound M&A in recent years. What is behind that trend and what impact has the pandemic had?

NIGEL COLLINS: The two big trends are midsize corporates following the larger Japanese corporates overseas and a big drive into the green economy. If you go back 10 years, a lot of that M&A was in the manufacturing sector. What I've seen over the last 10 years is many of the big Japanese corporates—the global corporates like the big Japanese banks and the insurance companies, the big manufacturing organizations like Hitachi and the trading houses, businesses such as Itochu, Mitsui, Sumitomo—they've gone out and done a lot of M&A all over the world. And then in typical Japanese fashion, a lot of midsize companies have followed. These midsize companies are still very big companies in the context of UK and European markets.

Now, we're also seeing a big drive into the green economy. This is accelerating the diversification away from the traditional manufacturing-type M&A transactions. There's also been a wave of restructuring.

Domestic deals remained very active last year. But as a result of the pandemic, with outbound M&A, the number of deals decreased 32.6%. As a whole, deal value went down by almost 60% last year.

MANGYO KINOSHITA: When the Lehman crisis hit in 2008, Japanese companies were a strong player in the global market, injecting a huge amount of cash. But I think the situation has changed slightly in the past 10 years. Japanese companies have a strong cash position, but we haven't seen that same level of huge deals. In the Lehman situation, the number of outbound deals remained strong. When COVID hit, a lot of outbound deals stopped.

We are now working on a lot of minority investments, involving venture capital arms of big Japanese listed companies. For a long while, M&A had been their primary means of expanding their businesses overseas, but corporate venture capital has become another path to overseas expansion. We've observed the trend during the last five to 10 years of Japanese companies outsourcing more R&D to startups and attempting to create new synergies with those emerging companies. In this way they've diversified their investment strategy and R&D strategy. And with the perceived risk of acquisitions during the COVID crisis, minority investments seem a less risky alternative to M&A.

NC: Traditionally, Japanese companies on the whole are more comfortable initially making a minority investment. Once the relationship has been strengthened, a Japanese company feels more comfortable taking a bigger step by acquiring a majority equity stake or buying the business outright. The North American/European model tends to be more aggressive—buy and if it doesn't work, then you sell.



How has outbound M&A fared under COVID?

NC: We were very fortunate that we had four or five important M&A transactions or investments that continued as we were already so far into the deal that the parties were comfortable to complete them. But, on the whole, Japanese corporates stopped investing almost completely. Leadership was saying, OK, let's see what happens on a macro and a micro level before we decide what we're going to do next.

With no new investments or M&A transactions, and after closing ongoing transactions, we started to advise on a number of restructurings. Some of these were existing businesses based in the UK or in Europe—a retail business, for example, that had to close all its stores. At the same time, there was a lot of restructuring of minority investments.

There was an opportunity to use the cash on their balance sheets to acquire undervalued or distressed assets, but that didn't happen. Is that something we might see after the pandemic?

NC: Japanese companies traditionally don't like to buy distressed businesses and turn them around. They'd rather buy a business that's already performing and has a strong management team in place. On the other hand, Japanese companies are well placed to help drive global M&A coming out of this pandemic—one of the best-positioned countries. There is increasing pressure for them to use M&A as a strategy to grow—saturated markets at home, declining population and pressure not just from the government but from banks and insurance companies to go out and chase M&A and make these acquisitions.

But they'll always be careful about the targets that they select.

What do you think is behind that cultural hesitancy to go and acquire distressed assets?

MK: Japanese companies do not have a strong track record with post-merger integration, so integrating and rehabilitating a floundering business from a distance is a real challenge. If they buy good assets or companies that are growing, they can grow together with less effort and expenditure of resources.

NC: Culturally as well, Japanese society is a consensus-based society. It's not a society where corporates are comfortable dealing with the conflict that comes with buying a business that needs to be turned around. In those situations conflict is inevitable.

What role does communication play in how outbound M&A from Japan is perceived?

NC: Communication is key. While it's not something unique to Japan, there are a lot of Japanese corporates that would benefit greatly from a communication strategy that not only gets the right

messages out to shareholders, but also to the target business, its management and internally back in Japan.

I've seen plenty of situations in the past where a Japanese corporate would buy a business and the target's management team in Europe would sit there after the transaction looking to Japan and saying, well, what do you want us to do? And Japan would say, well, just carry on as normal. That kind of lack of communication has and will always cause issues.

However, I think Japanese corporates are getting better at communicating these days.

Over a third of Japanese M&A deals end up in write-offs or divestments, compared with about 5% from the US. Why do you think that is?

NC: Traditionally, Japanese companies would prop up an underperforming business through intra-group loans. Internally, with internal politics, it can be difficult to simply dispose of the business. You often hear stories that Japanese corporates have overpaid for a business, but I've seen that change over the last few years. If you could go forward even 10 years, I'd expect to see those numbers regarding write-offs come down. It takes time for them to decide to sell or restructure the business, but I'm seeing that lead time come down.

How does a Japanese CEO's approach to an M&A deal differ from their counterparts in Europe or the US?

MK: When we look at companies like SoftBank or Fast Retailing, they are led by founders and strong entrepreneurs. A lot of Japanese companies with those sorts of CEOs have been very active and very successful in the global market. That's a recent phenomenon. Traditionally it was mostly car manufacturers that were the big players. But now we've started to see some strong Japanese CEOs willing to engage in challenging M&A. On one occasion with a mid-cap company going outbound, the CEO led the whole deal and directly negotiated with the target, flew to the target jurisdiction by himself. We all joined a meeting remotely, but the CEO was the only person there in the room. Right after the deal was announced, he stepped down from the CEO position and became the person responsible for the post-merger integration. We're starting to see that type of strong leadership and passion about the business that they are buying. So, I'm very optimistic about the future of Japanese M&A.

NC: I think the gap between the kind of traditional Japanese style of CEO and Western CEO is narrowing. There are a couple of trends I've seen in recent years. One is that large Japanese corporates have been bringing in investment bankers and professionalizing their M&A teams. That drives a more international approach. Midsize corporates will follow that over time. These

more professional M&A teams have a lot of influence these days on strategy, execution and post-merger integration.

The second trend is where talented people have been sent abroad to gain international experience, they are returning and now being given the opportunity to influence the company at headquarter level in Japan. Historically, some of these returnees were less influential. I see that in some larger companies these people are now exerting real influence on strategy and business practices, bringing in a lot of international knowledge. Japanese corporates are much more open these days to taking advantage of this knowledge and helping to narrow the gap between the very traditional Japanese CEO and the more hands-on Western CEO.

Do you see any particular M&A trends in the domestic Japanese market?

MK: Hostile M&A is a trend we've seen grow in Japan in recent years. In Japanese, it used to be called the "hagetaka approach" (vulture fund approach) and it wasn't viewed favorably. If a company is labeled as being prone to taking such an approach, its competitors, customers and suppliers may not feel comfortable dealing with them. But now, a lot of Japanese companies are engaged in what once would have been called a hostile situation but is actually closer to an unsolicited approach—they're often making a well-considered proposal. Targets can no longer simply say, as they might have done in the past, "we don't want to entertain this proposal because it is hostile." Improvements in corporate governance and investor pressure make this stance untenable today and this trend of "hostile" takeovers in Japan will likely continue.

What are the trends in the push for green economy?

NC: Some of the trading houses have been busy selling interests in mining and fossil fuel businesses and refocusing their strategy. This is accelerating. Large corporates like Mitsubishi Heavy Industries and Toshiba have stated that over the next five to 10 years they're going to be making investments, acquisitions, committing to more R&D spend and deploying new technology to decarbonize industry. I've seen and been involved in a number of Japanese investments in Europe, from the R&D sector all the way up to much larger investments into businesses across the green economy. There's a lot of activity in green and blue hydrogen, ammonia, carbon capture, battery storage and those types of investments. One of the challenges for Japan Inc is finding the right opportunities and partners as this is a hot market with increasing valuations and tough auction processes to navigate, favouring fast movers and big spenders. ♦

MATTHEW BROWN, a Director in Brunswick's London office, is a member of the firm's Japan practice. A fluent Japanese speaker, Matthew joined Brunswick from the Japan External Trade Organization. He spent three years working with local government in Takaoka, Japan.

"JAPANESE COMPANIES ARE WELL PLACED TO HELP DRIVE GLOBAL M&A COMING OUT OF THIS PANDEMIC. THERE IS INCREASING PRESSURE FOR THEM TO USE M&A AS A STRATEGY TO GROW."

BY THE AGE OF 7, JOHN GUMMER KNEW THAT he needed to be a leader in public life—to defend the colors of train carriages.

“I distinctly remember arguing with my father about the nationalization of the railways,” he told the *Brunswick Review*. “I believed that if you had a national railway, you would lose the diversity of shapes and colors of coaches from all the different companies. That would be a shame. I remember thinking, ‘Well, somebody’s got to do something about that.’”

Now 81, he is Baron Deben and has dedicated his entire career to public service, including as a Member of Parliament, Conservative Party Chairman, and Secretary of State for the Environment in John Major’s cabinet. In 1997, he founded Sancroft, a corporate responsibility consultancy and in 2010 he was made a Life Peer in the House of Lords. Instrumental in the passage of the Environment Act of 1995 and the 2008 Climate Change Act, in 2012, he was named Chairman of the independent Committee on Climate Change, which advises the UK government. As such, Lord Deben is responsible for policy recommendations that guide the UK government on its legally binding target to be net zero by 2050.

He cites Rachel Carson’s *Silent Spring*, her seminal 1962 book on the dangers of pollution, as a major influence on his leadership on the environment. He is also a religious man, a Catholic who sees his faith as tightly woven with his social calling.

Born at the start of World War II, the son of a Church of England priest, he recalls a household with few luxuries but a supportive and happy family. “The one thing we weren’t allowed to be was bored. If you said, ‘I’m bored,’ then you’d be in trouble. The world was far too interesting ever to be bored in.”

That tireless curiosity remains with him as he prepares to step down as CCC chairman in a year and a half. “I have no intention of retiring because I don’t think I know how to do that,” Lord Deben says. “But I shall go on doing this job. And when I’ve done it, I’ll do something else.”

The “job” as he sees it, is mobilizing action to combat global warming.

“Climate change isn’t waiting for us,” he says.

As founder of Sancroft, you have seen the evolution of corporate culture first hand. Do you see the past year as an important inflection point?

I’m always worried about inflection points, because there’s too much prognostication in that. But I’ve certainly seen a huge change in people’s attitudes.

When we started 23 years ago, you had to fight hard for people to understand that ESG actually made companies profitable, improved management and avoided costs. In those days, you had to fight right from the beginning. Thankfully, that has changed over the years.

Last year, as the world ground to a halt with the pandemic, ESG and climate rapidly rose to the top



The ENVIRONMENT

BARON



Rt. Hon. John Gummer at the Royal Geographic Society in 1997. Formerly a Member of Parliament, he was appointed to the House of Lords in 2010.

LORD DEBEN,
Chairman of the UK's powerful Committee on Climate Change,

of the political and board agenda. Now, corporates come banging on our door. That's the difference; they're coming to us. It's not something we ever expected before.

With the pandemic possibly receding, are we at risk of fading back into business as usual?

I don't think business as usual is "as usual." That's really what the change has been. We used to have ESG on our risk register—pandemic, climate change—and people would go through them and tick them off, and say, "Yes, well, they are important," and then get on with the things they really thought were important—which were the immediate risks. The pandemic has revealed risks which people have not taken seriously before.

talks about charting the course of business and society toward net zero and a healthy planet. By Brunswick's UK Director for Energy Transition **CHARLES MALISSARD.**

One of those risks is climate change. It made management realize that their supply chains were maybe more fragile. They didn't have anything like the elbow room they thought they had. That has certainly come home to people and will continue to affect them even after the pandemic has receded.

We used to get the bulk of our salads in Britain from Spain and other southern countries. Today, it's increasingly difficult because of water scarcity. And it's getting hotter. When you think about Britain, you think about rainy days. Where I live, in the east of England, is now internationally called a semi-arid zone. We have just opened up the old Victorian system of roof collection of our water in order to be able to have the water we need for our vegetables, and our garden, and the rest.

Do you find that there's any tension between your public role with the Committee on Climate Change and your advisory work?

No, because we are very, very clear about the division. I don't advise any fossil fuel company. I've ceased to be the chairman of an offshore wind group. The Climate Change Committee comes first. What I do there is more important.

That said, it is also very important for the Committee to have real world experience. It always bases its judgments on the science, and never asks people to do things that they couldn't do. In order to do both, it has to have a real understanding of how the real world works. If it doesn't, then government won't accept its recommendations. This Conservative government has accepted all the recommendations of our sixth Carbon Budget (78% emissions reduction by 2035 compared to 1990). All six budgets proposed have been accepted by successive UK governments, whatever their kind and color. I'm sure we couldn't have done that if there wasn't a very good dose of realism embedded in the ambition.

Is there disagreement between the CCC and the UK government over how the policy is written?

Not really. The policy that the government has put forward is very close to what we have proposed. The issue is delivery.

In some areas, they've done things which have shown just how effective government can be in kick-starting transformation. We now have an amazing offshore wind system which produces electricity cheaper than any other way except onshore wind. Boris Johnson recently announced that after 2030 no new petrol- or diesel-driven cars will be sold in Britain, bringing the date forward 10 years. We advised them to do it, but credit to them for actually turning it into government policy.

The real challenges for them are around delivery—because it requires changes in other policy areas which are trickier politically, such as the planning and land use regimes. They are essential levers to deliver what you need to deliver, but are notoriously hard to reform. That's what we are going to be pressing the government on and what our annual report will focus on. We will continue to be very supportive of all of government's policies—but we will be pretty tough about ensuring they deliver.

Are UK corporations on board? Are they lagging or are they ahead of government?

In general, I tend to think they are ahead of government. I think they have understood what the future

“SENSIBLE COMPANIES HAVE UNDERSTOOD THAT IT'S BETTER TO BE AHEAD OF GOVERNMENT AND DECIDE IN THEIR OWN TIME WHAT THEY'RE GOING TO DO TO MEET WHAT ARE OBVIOUSLY GOING TO BE REGULATORY CHANGES.”

is going to demand of them, and that they've got to get to net zero. Their investors have seen that as well, and have begun to understand what stranded assets really could mean to their portfolio.

Sensible companies have understood that it's better to be ahead of government and decide in their own time what they're going to do to meet what are obviously going to be regulatory changes. If you seize the moment, you can do it according to your timetable. And it's likely to be significantly cheaper.

Is the UK offering effective global leadership? Or are you operating in a bubble?

No, it's effective. Until very recently, when we left the European Union, we'd been leaders there. And frankly, we're going to have to find a way of continuing to work with our EU neighbors in spite of this decision. But all around the world, countries are emulating and copying our approach. I am pleased to see a growing number of climate change committees operating in different jurisdictions, and very much based on our model. Our commitment to net zero, which is now legally binding in the UK, has also been followed by many countries around the world.

The United States position is hugely important as well, particularly given the policies of the new administration. Almost all the industrial might of the world is now behind a net-zero date, although China is still 10 years out.

Are we really going to be able to meet the Paris Agreement target and keep global warming under 2°C?

I'm entirely optimistic about, first of all, the fact that we can and second, that it isn't anything like as costly as people thought it was. As our research has shown, it will cost the United Kingdom somewhat less than 1% of the GNP—a relatively a small amount. There are just three very simple caveats to that.

First of all, we've got to get on with it. Because the longer you leave it, the more difficult and expensive it becomes. Secondly, rich countries must agree to pay for poorer ones to help them jump the dirty phase. The developed economies gained hugely in wealth because of the pollution we were willing to accept. If we want Uganda and the Democratic Republic of the Congo and Indonesia to join in, then we're going to have to help them advance without that pollution. The third thing is to keep the pressure up. It is not something that you can leave off.

And it's right across the whole of the economy, right across everything the government does from



education to training, to tax and trade agreements. From the way we build new schools and hospitals to the policies that regulate the way we shop and travel. Governments must embed net zero thinking in every decision they make.

How does COP26 look to you from here?

Had we had COP26 a year ago, we'd have had it in wholly different circumstances. I cannot deny that the change of government in the United States has been enormously important for generating positive momentum among the global community. The delay and the pandemic have also helped to focus minds on the need to ensure this summit is a success. On top of this, the changes in the private sector's mindset have put us into a much stronger position. All the pressure's on government now.

The idea of having a 68% reduction in our emissions from 1990 by 2030 is a very tough commitment. There is also the huge need to make it possible for countries in Africa or Asia to jump the pollution period. There's no reason why Africa couldn't have its energy entirely from the sun and the wind. But they do need the technology, expertise and the money. And we're going to have to deliver that.

Also, at the moment, shipping and aviation don't come under the same international arrangements as other sectors because they are looked after by two other agencies of the United Nations. We're going to have to bring them in because otherwise net zero doesn't mean anything.

“WHAT REALLY STRUCK ME MORE THAN ANYTHING ELSE IS AN INSIGHT FROM THE POPE’S ENCYCLICAL LAUDATO SI’ WHEN HE TALKS ABOUT CLIMATE CHANGE AS A SYMPTOM OF WHAT WE’VE DONE TO THE WORLD.”

CHARLES MALISSARD is a Director at Brunswick, based in London, specializing in helping clients navigate the energy transition.

These are some of the issues COP26 will need to address. But I am more optimistic now than I was a year ago. After COP, assuming it's a success, the Prime Minister will need to be clear that it is not the end of the process but a new beginning—not just constantly reminding people of what a success it was. You can't let up.

You're known as a very compelling storyteller. What kind of a role does that play in your communication style?

I'm very keen to be able to explain the issues of climate change in a way which everyone can understand. This is why I banned the use of technical language in the Climate Change Committee. A kilowatt hour, for example—I can't feel it, or touch it, or see it. And therefore, it doesn't mean anything. But if you talk about people's bills and say they have dropped by 9%, people begin to relate to the matter.

In the old days, when I had to convince colleagues that climate change was a reality, I'd talk about gardens. I had found that many climate skeptics were also gardeners—and they knew that their spring started 17 days earlier and that the rain came down in torrents rather than in a soft, refreshing sprinkle. Once you started talking about that, they began to understand in their own way that climate change was happening to them. And then you could say, “Of course, it's even worse for those countries closer to the equator, and even worse for those countries which are below sea level.”

What really struck me more than anything else is an insight from the Pope's encyclical *Laudato si'* when he talks about climate change as a symptom of what we've done to the world. I think this is the most creative way of looking at all these things. It is the Earth crying out for medicine, crying out for curing. And we are, happily, powerful enough to cure it. If we don't, it will die and we will die with it. So we are both enormously privileged to be able to rise to the occasion and enormously threatened by what happens if we don't.

In this age we all feel personally challenged to change our views on one thing or another. Is there something you could point to that you've really had to change your mind about?

I think I am much more socially liberal now than I was as a know-all young man. I think I understand more widely the amazing diversity of people and activities which have been allowed us by the creator. I find life, in that sense, enormously more liberal and therefore more adventurous than I did before. ♦

PHOTOGRAPH: LOUISE HAYWOOD-SCHIEFER / CAMERA PRESS/REDUX

ACT LIKE YOU'RE IN A CRISIS. THAT HAS BEEN economist Alex Tabarrok's advice since the start of the COVID-19 pandemic. Tabarrok was among the earliest and loudest voices arguing for urgency and risk-taking when it came to increasing rapid testing, investing in vaccine capacity and employing flexible vaccine dosing. In hindsight, he has been proven regularly right when most health experts were wrong. A professor of economics at George Mason University, Tabarrok co-founded and writes daily for *Marginal Revolution*, one of the most influential websites in the world. He spoke with Brunswick Partner Raul Damas about how his analytical approach can help policymakers and business leaders make better decisions in a crisis.

What would you say the US initially got right in its response to the pandemic?

Not much. The CDC's botched test and the FDA's refusal to allow private and state labs to develop their own COVID tests put us weeks behind and essentially took the South Korea option—suppression—off



The Marginal Revolutionary

the table. After that, we were in a continual game of catch-up, and we never really caught up, even when we had another brief opportunity in the summer of 2020.

The best decision the United States made early on was to pursue vaccines with Operation Warp Speed. Peter Marks at the FDA and Rick Bright at BARDA deserve a lot of credit here, as do CEPI and Bill Gates. Michael Kremer and I, working with a team of economists, also pushed big investments in vaccines early in the crisis.

From rapid testing and investments in capacity, to dispensing first doses first, you've outlined approaches that the healthcare establishment was slow to employ, but now considers indispensable. What allowed you to see these solutions that others couldn't?

I may not be the best person to answer this question, because I'm still confused about why what seemed obvious to me apparently wasn't obvious to other people. I was perhaps able to brush aside irrelevancies that others became fixated on. On "first doses first," for example, people got fixated on the specific

On COVID, renowned economist **ALEX TABARROK** takes no pleasure in saying he told us so. By **RAUL DAMAS**.

RAUL DAMAS is a Partner and leads the US health practice at Brunswick. He previously held senior positions with the George W. Bush White House and Pfizer.

trial design of two-doses, three-to-four weeks apart. Many people argued that doing something different from the initial trial was not "following the science." To me it was obvious that the trial design was just surface phenomena. The initial trials were designed to get a vaccine approved as quickly as possible, not to figure out the optimal dose and scheduling.

What mattered was not the trial design, but the information revealed by the trial: The first dose was about 80% effective. It then seemed obvious to me that delaying the second dose and getting more first doses out sooner was the correct choice. Policymakers, however, either didn't see this or didn't want to accept responsibility for making a choice.

A closely related problem was that the "obviously" correct choice wasn't without risk. Policymakers and people in general tend to think that sticking with the status quo is less "risky"—but this too is just surface phenomena. Look deeper and it's clear that the status quo is also risky. Think of the status quo as being given an urn with 10 green balls and 90 red balls where picking the green ball was better. First doses first was an urn with 20 green balls and 80 red balls. Switching was obviously correct, even though risky.



“ONE OF THE REASONS PEOPLE IN SILICON VALLEY WERE EARLY TO RECOGNIZE THE CRISIS WAS THAT THEY UNDERSTOOD WHAT IT MEANT FOR SOMETHING TO GO VIRAL.”

Unfortunately, the risk of switching from the status quo loomed large in people’s minds, making it difficult to see what was obvious. If the initial trials had studied a one-dose regimen and someone had then argued for a two-dose regimen, the same people who objected to first doses first would have said switching to two doses was too risky. (In fact, the J&J vaccine trial did study the one-dose regimen first, and no one at the time objected that you needed two doses. Even though you do.) Anchoring on the status quo is simply a mistake.

Oddly even my least controversial opinion, go big on vaccines, also met with a lot of pushback early on.

Yet, as I told people at the White House, the US economy was losing hundreds of billions a month due to COVID, even before taking into account long-term health and education costs, so anything that accelerated recovery by a few months was worth hundreds of billions if not trillions. Going big on vaccines was the world’s easiest cost benefit test. Yet most governments failed the test.

The United States was by far the best, spending about \$15 billion on Operation Warp Speed, but we could have spent two or three times as much, built more vaccine capacity and ended the pandemic even sooner, and it would still have been a great deal.

Should we have heard more from economists during the early-stage pandemic?

It’s sad that the economists were perhaps most ignored when they were most united. On the left and the right, the economists I spoke to were agreed on going big on vaccines and on testing. Paul Romer did important epidemiological work on testing early in the crisis. It was puzzling to many of us why it was much easier for politicians to spend trillions on unemployment insurance and support for business, while skimping on support for testing, which could have saved lives and money at the same time.

Are there lessons from the pandemic response that are applicable to business leadership?

Yes. One of the reasons people in Silicon Valley were early to recognize the crisis was that they understood what it meant for something to go viral. When things are going viral, you need to act quickly, and you need to keep acting as circumstances change—battlefield tactics.

More generally, I think human beings are inherently risk-averse, biased by the status quo, and prone to conformity. The outsize potential rewards for being an entrepreneur are one way to counter these natural tendencies. It may take the prospect of

becoming a billionaire to get people to try radically new things. In addition, the openness of markets in comparison to politics means that there is more room for oddballs and experimentation.

How do we make the FDA less risk-averse? Wasn’t their approval of Biogen’s Alzheimer’s drug an example of the regulator erring on the side of experimentation and innovation?

The FDA is too conservative, and I mostly blame the public. It’s easy to see how FDA-required testing can make drugs safer and more effective—it’s much harder to see how FDA-required testing makes medicine less safe and effective. Raising the costs and time to bring a new drug to market, however, means fewer new drugs. The people who died but who would have lived had more drugs been available sooner are buried in an invisible graveyard. One of the few silver linings of the pandemic is that more people are now seeing the invisible graveyard. The approval of Biogen’s Alzheimer’s drug was a remarkable change in standard FDA procedure. The fact that some experts had a temper tantrum about this decision suggests it may not last. We will see.

You’ve had great success with the online learning site Marginal Revolution University. Given the shift to more video-based instruction, what’s the next step in the evolution of the approach?

Switching millions of people into online education overnight wasn’t easy or pleasant, especially for younger kids. But as people have gotten used to online education, they are beginning to see the advantages. Online education, for example, is in principle much more individualized than mass classroom teaching. A student can rewind, speed-up, or slow-down a video, moving more quickly through material that the student understands while slowing down for other material. AI tutors can quickly assess each student’s knowledge and direct them to just that piece of the puzzle that they need to complete their personalized picture. AI tutors are also available 24 hours a day, 365 days a year, they speak multiple languages, and they never get tired or cranky.

I am quite excited that MRU has made a world-class introduction to the principles of economics available to anyone, everywhere. It’s gratifying for Tyler Cowen and myself to get emails from “our students” all over the world. I have delivered many more hours of education online than I have ever taught live at GMU. Indeed, through MRU, Tyler and I hope to teach more people economics than anyone else in the history of the world! ♦

BRUNSWICK ARTS IS CELEBRATING AN IMPORTANT milestone this year: our 20th anniversary. We were founded in 2001 when the great mentor, teacher and communications executive Helen Scott Lidgett persuaded Brunswick founder and Chairman Alan Parker that an arts component had potential to bring great value to the group's corporate advisory practice.

Our celebration has inevitably been overshadowed by the events of the last year, a period of challenge that feels like 20 years all by itself. The pandemic turned the world's culture-presenting community on its ear, a disruption borne out in a survey Brunswick Arts conducted recently of 59 leading global arts institutions: Over half were reconsidering the basic foundation of their mission. Nearly 30% of the respondents said their critical reassessment was the result of the events of the past year, while another 24% said such a reassessment was under way even before the pandemic. Well over 70% pointed to is-

On the 20th anniversary of Brunswick Arts' founding by **HELEN SCOTT LIDGETT**, Managing Partner **PETER DILLON** regards her legacy and the road ahead.

"Helen had a wonderful spirit that was as infectious as her enthusiasm," recalls Brunswick founder and Chairman Sir Alan Parker. "She combined this with the talent of seeing the possible in everything and everyone. She was part of the original spark that lit up Brunswick Arts and we always hope to live up to her best expectations."

By the time she came to Brunswick, Helen had already had an intense and exciting career in the arts. A graduate of St. Martin's School of Art, she ran a shop in the 1970s of her own fabrics and wedding dress designs out of Camden Market and was later head of art at London's Camden School for Girls. In the 1990s, she joined art publishers Thames & Hudson as head of publicity. From there, she moved to Hobsbawm Macaulay, the PR firm run by Sarah Macaulay, who became Prime Minister Gordon Brown's wife.

In the wake of a new era of free entry to many UK museums, Helen and Sarah persuaded Alan of the value a cultural network could bring, recognizing the potential the arts might also gain from a firm steeped in the knowledge and workings of major businesses. Over the next 10 years, Helen established Brunswick as a leading consultancy in the arts, where her commitment to education and open ac-

Brunswick Arts Celebrates Culture on a Mission

cesses of digital engagement and diversity as their top two concerns, with aspects of their funding model coming in third. Simultaneously, climate change, social justice and restitution are rocking the foundations of most of these institutions.

So it is that we celebrate the tremendous spirit and growth of our past in the shadow of crises that threaten to overwhelm the future. I joined Brunswick Arts as its Managing Partner only last year, but I can see that despite these new challenges, our long game will be very much what it has always been—helping our clients navigate critical issues related to the arts, highlighting the ability of culture to bring people together in increasingly divided times and finding meaningful ways for organizations and business in the sector to connect to their communities. These were borne from a fortuitous combination of the circumstances in which we were established, and the creative style and particular world view of our founder, Helen.

cess to the arts were hallmarks of her leadership. It was Helen who first connected Brunswick Arts and the British Museum—a relationship that lasts to the present day. At her suggestion, composer Michael Nyman created a piece for the opening of the V&A's new British Galleries, a coup topped only by her informal request to then Poet Laureate Andrew Motion that he also might like to pen a "few words." She also set the course for our international reputation, from a regular presence at the Venice Biennale to the French government's Paris Calling initiative, promoting French art in Britain. For the latter, she was awarded the French Chevalier de L'Ordre des Arts et des Lettres in 2008. Before succumbing to cancer at the young age of 63, she served as a cultural advisor to Prime Minister Gordon Brown.

Helen's instincts allowed her to lift up talent wherever she saw it—talent that otherwise might have gone unrecognized, as noted by Dr. Gus Casely-Hayford, the Director of V&A East in London

and a former Director at the Smithsonian National Museum of African Art in Washington, DC. “Helen was one of my great mentors,” he recalled. “I spent years—years—out in the wilderness as a Black curator with absolutely what felt like no options, when it would have been easier to give up rather than continue. And one of the few people who continued to invest in me, continued to encourage me despite it all, was Helen Scott Lidgett.”

Brunswick Arts Director Claire Walsh recalls the stamp of Helen’s eccentricity—a flamboyant sense of style that simultaneously embraced diamonds, hair extensions and flip-flops—a spirit unquenched even in the last year of her life, as she was battling the cancer. “There was definitely a point where Brunswick Arts was defined by Helen’s personality,” Claire says. “Clients absolutely loved her and she was a great mentor.”

With her colleague Ben Rawlingson Plant, now Deputy Director, Global Public Affairs and Communications at the Guggenheim, Helen oversaw Brunswick Arts’ expansion to Europe and the Gulf. After her death, Ben ensured a strong foothold in Asia and the US, a presence that is now global. We supported Christie’s 250th Anniversary and major solo shows in Europe for Ai Wei Wei, Marina Abramović and Bill Viola; launched the Institut Giacometti and the Louvre’s Islamic galleries; opened the Louvre Abu Dhabi; worked with the Brooklyn and Jewish museums in New York and the Yerba Buena Center for the Arts in San Francisco; and launched the He Art Museum in Shunde, Guangdong. We also work closely with corporations such as Facebook, Credit Suisse and Intesa Sanpaolo on their roles in the arts.

The arts now face new challenges. In the last two years, with the momentous rise of movements such as #MeToo and Black Lives Matter, the lack of equal representation in institutions has snapped clearly into focus, pushing diversity and inclusion to the forefront. At a recent webinar marking Brunswick Arts’ 20th Anniversary, journalist Charlotte Burns summarized research she has done with Julia Halperin of Artnet News. “In 2018, we examined the

HELEN'S
INSTINCTS
ALLOWED HER TO
LIFT UP TALENT
WHEREVER
SHE SAW IT.



Brunswick Arts founder Helen Scott Lidgett and her daughter, Holly, were the models for “Golders Hill Girl” (1991), a public sculpture in Golders Hill Park created by Helen’s mother, artist Patricia Finch.

presence of African American artists in 30 US museums, as well as the international art market, over the previous decade. In 2019, we similarly examined the presence of female-identifying artists,” she said. “In both cases, we found that, to the institutions’ surprise, they were failing to meet the moment.” Such critical measurement is new and challenges the art world to reassess its efforts to grow diversity and shrink inequality.

We have seen that museum and gallery leaders we support aspire to the very qualities that informed Helen’s approach: to be more visionary in their outlook for the arts as essential in society, more practical in steps they must take to reach those that can benefit from their content, more persuasive in expressing their concerns.

The last year and a half has also been a trial by fire of digital readiness and funding security. In addition to providing welcoming and relevant arts for audiences, navigating these rough waters has required a head-on, creative determination and compelling communications across all channels and markets.

We are excited and optimistic for the future, while acknowledging the many challenges and uncertainties it will bring. Helen quickly established Brunswick Arts as a force in the UK cultural sector, her dynamism and belief in those she hired setting a course for unrivaled knowledge and advice across our international network, spearheading an informed, passionate team,

where we now advise museums, corporates and private foundations from Europe and the Gulf to China and the US. Her legacy is central to our mission: to bring art and culture to the world, to bring down the barriers that prevent it from reaching audiences, and to help our clients realize their own mission in a dynamic and complex world. We are on fire, as she was, to carry out that mission. ♦

PETER DILLON is a Managing Partner and Head of Brunswick Arts’ international practice. He has 20 years’ experience in communications and branding with previous roles with Swiss bank UBS and global real estate firm Tishman Speyer.



The ARTIST as LEADER

The YBCA's nimble response to the pandemic is reflected in a work installed outside its walls last year for safe viewing: "The Monument of Living Memory," 2020, by Caleb Duarte and Stela Ones. Says YBCA: "Experience the work 24/7. Always free. No appointment necessary."

YERBA BUENA CENTER FOR THE ARTS OPENED IN 1993 TO SERVE as the cultural anchor for the Yerba Buena Gardens neighborhood in the heart of San Francisco. Ever since, YBCA has worked to support artists in their role as catalysts for social and cultural change. Since Deborah Cullinan joined YBCA as CEO in 2013, the organization has sought to shift social and political power to artists in service of communities to advance equity, health and well-being.

Cullinan sees artists as an underutilized leadership asset. Just as government often seeks the expertise of business executives, it should enlist artists—and art itself—to help solve society's most vexing problems. "We need the arts to be 100% at the table and

A conversation between Brunswick Partner **PHILIP DELVES BROUGHTON** and YBCA CEO **DEBORAH CULLINAN.**

“THE IDEA THAT ARTISTS ARE ESSENTIAL TO THE CHANGE WE WANT TO SEE IN THE WORLD IS DEEPLY ROOTED IN MY PERSONAL LIFE.”

part of the conversation in the Executive Office of the President,” Cullinan says in an interview with Philip Delves Broughton, Brunswick Partner and Group Head of Content, and bestselling author of four books.

Prior to joining YBCA, Cullinan served as the Executive Director of San Francisco’s Intersection for the Arts. Under her leadership, Intersection became a powerful arts-focused community development organization committed to radical partnerships across sectors to achieve equitable community change. She is a co-founder of CultureBank, co-chair of the San Francisco Arts Alliance, Vice Chair of Yerba Buena Gardens Conservancy, Field Leader in Residence at Arizona State University, member of the board of Human-Made, and the Community Arts Stabilization Trust.

Where were you and YBCA at the start of 2020?

In the summer of 2019, our board officially ratified an organizational transformation for YBCA. This evolution was years in the making, as we steered programming away from siloed artistic disciplines and toward a holistic unification of art and social justice. It was to think of ourselves as a center for art, action and progress.

We were building on a process of opening up. In 2015, we launched a new initiative called the YBCA 100 which begins with a collaborative approach to developing a list of the people and collectives who are most inspiring to our staff and community. Each year, we invite people to nominate everyday heroes—artists, activists and community leaders.

We also started a YBCA Fellows program, opening up a call to artists and creative changemakers to join us in a process of collective inquiry. This was initiated as part of a bottom-up approach to curation and programming as opposed to top-down. Shortly after, we announced a senior fellows program, in which we invested in two artists over a long period of time to help us transform as an organization and to pursue their own lines of inquiry—with few strings attached.

So by the beginning of 2020, we were moving away from transactional relationships with artists to deeper, game-changing relationships, centering these artists as leaders in our organization and working to create the conditions for them to incubate big ideas with the potential to have impact in the world.

Where did this idea of opening up YBCA come from?

The idea that artists are essential to the change we want to see in the world is deeply rooted in my personal life, and that of everyone at YBCA, and our ongoing work. When I took my previous job at Intersection for the Arts, I did not have formal professional experience in the arts and so I had a fresh perspective, an outsider’s angle.

Intersection was a venerable organization with significant

history and yet it was struggling and disconnected from the community around it. I was struck by the fact that an organization that had been so impactful could be so vulnerable, struggling for relevance and connection.

I learned quickly that many arts organizations seemed to think of arts programming and community programming as separate things. Yet, from my outsider’s angle, the greatest opportunity was to build community and constituency through participation and by opening up the process of artistic inquiry and production to the public. My early lack of experience and, perhaps, naïve perspective, turned out to be my strength. We took the locks off the doors and focused on arts and community development. We created the conditions for artists to do really powerful things, and we have a similar spirit now at YBCA.

At YBCA, our urgency to change was based on a combination of our commitment to the idea that artists and arts organizations can lead the way and a belief that institutions built on a colonial past are capable of change. We are committed to doing the hard work, addressing our history and healing forward.

In practical terms, what kinds of things does YBCA do now that it didn’t do before?

We acknowledge that we are not a museum and we are also not a traditional presenter of the performing arts. We are trying to be an arts and civic institution that really centers the artist in the community around us.

We created the YBCA 100 as a way for us to democratize our curatorial structure. Our team across the organization engages with the public to determine who makes the list. Our audiences



tell us who they want to see in our programming, and we listen. Only through this collaboration with our community do the true artistic visionaries reveal themselves, and YBCA is then there to support and amplify their work.

Our work is not contained within the physical boundaries of our space. One of the strengths we bring to the public realm is our advocacy—our ability to collaborate across sectors and spread awareness of the crucial role artists and arts organizations can play to create significant change in people’s everyday lives. Just one example, we are the only arts organization involved in the Well Being Alliance, a coalition of 25 organizations working around the country on intergenerational well-being.

Another example of many, we have partnered with several city agencies and community-based organizations to support food justice in our city. We have worked with the Tenderloin Healthy Corner Store Coalition here in San Francisco to help convert liquor stores to stores that make fruits, vegetables and everyday groceries more readily accessible. At YBCA, we deployed young artists into the community to break down barriers and build trust and a sense of connection between the residents and healthier food choices. We also helped transform these stores into beautiful spaces to encourage and inspire the community to frequent.

And when the pandemic struck?

When I got the phone call that the city was going into shelter in place, we organized immediately into a rapid response to help the organization shift into work from home.

At one point, I went for a walk with one of our senior fellows, the choreographer Liz Lerman, who reminded me that we are most inventive when we are falling. With this in mind, even as the crisis unfolded, I didn’t want to let go of the changes we were already making. In fact, I realized that what was really hard before in terms of organizational transformation might actually be easier now. Because as we were falling and the world was falling apart, we were going to be able to let go of a lot of things.

Our financial situation meant we had to make a lot of hard decisions about people. When our PPP loan ended, we had to let go of more than a third of our staff, most of whom were in positions related to live events. We had no choice but to think differently. Things were not going to be the same.

We rapidly organized ourselves to provide relief to artists. We partnered with three organizations in Oakland—Zoo Labs, Black Joy Parade and Always Win Together—to raise money and get it directly into the hands of artists, particularly artists of color and LGBTQIA+, who were one paycheck away from a life-changing

“WE ARE MOST INVENTIVE WHEN WE ARE FALLING.”



Artists promoting public health in the Yerba Buena Gardens neighborhood.

“YOU INTEGRATE THE ARTS AND THE VALUE OF THE ARTS INTO EVERYTHING. YOU ARE A CIVIC LEADER AND THAT IS WHAT IT MEANS TO BE AN ARTS LEADER.”

event. We got thank you videos and notes from the artists we were able to grant. We also built the Artists’ Power Center, a digital platform to help artists and cultural workers navigate the relief available, so that they could keep working and stay resilient.

In our community, we worked with the Yerba Buena Gardens Conservancy to quickly create a commission program to hire underemployed artists to create socially distanced and safe art projects that would bring joy and inspiration to our Yerba Buena Gardens neighborhood.

As part of Governor Newsom’s Jobs and Business Recovery Task Force, I was able to connect with him and leaders in his office around the powerful role that artists can play in healing, recovery and regeneration. Building on a pilot program called the SF Creative Corps launched in San Francisco with our Mayor, I was grateful to build on great ideas that were taking shape across the country and work in collaboration with colleagues across California. I am so thrilled that the Governor’s proposed budget includes a \$15 million one-time General Fund to the California Arts Council (CAC) (\$5 million in 2020-21 and \$10 million in 2021-22) to support a state-wide pilot program, California Creative Corps, intended to fuel positivity, regain public trust, and inspire safe and healthy behavior across California’s diverse populations.

Throughout the pandemic, we have been searching for nimble opportunities to marry relief funds with economic opportunities for artists, remaining steadfast to our vision that artists are essential to community health and well-being.

How do you know it’s working?

Because artists are telling us this is what they need. You look for need and demand. Is what we are offering in service of the needs and demand that people have right now? At YBCA, it is.

And what did you have to leave behind?

Our work is very much about shifting power in the arts, shifting the way we all understand and help shape and reshape institutions. We want to shift away from inviting the public to participate as a passive witness, to the public helping lead the way.

As we think of the future, we are reimagining YBCA to be an ongoing dynamic, open process environment where artists are invited to share their work with the public. We are building an ecosystem where artists are given the tools to prototype their visions with direct community feedback, all taking place in a public square. We’re essentially opening the doors, centering artists to lead the way, and inviting the public to join us on a creative journey.

Isn’t that nerve-wracking?

It’s not nerve-wracking for me. But it is for others. Part of the organizational transformation has been to try to address that, to

give as much clarity as we can and to allow people to see the value in these new ways of producing culture.

Do you worry that your work is becoming too political?

Every choice we make is political. Whom you invite, whom you do not invite, is political. If it’s not political I don’t know what is. So for me, you integrate the arts and the value of the arts into everything. You are a civic leader and that is what it means to be an arts leader.

When you attend meetings with political and business leaders, what do you say that is most convincing to them?

It’s the strength of the arts that’s convincing. It is the power of the arts to catalyze our collective imagination. It is to say, you need imagination to forge new and better paths forward. How do we help people understand and value the role of artists as provocateurs, people who think outside of boxes? Folks who can work in deep ways to help transform us.

The arts as an economic force may capture some people’s attention, but it doesn’t make us distinct. Many sectors have economic impact, so what makes us distinct has to be understood. This distinction has to be related to what the most pressing issues and challenges are. Why do we matter? I would argue that the arts have the potential to lead the way in terms of racial justice and cultural equity in this country.

Artists of color, indigenous artists, artists who have been working around the most important cultural traditions in our country, we need them to lead the way. At the same time, our institutions are built on a foundation of white supremacy. We have to reconcile with that history and let the artists lead our transformation. Our work as an organization now is to think about what kind of policies and structures we need for us to heal as a country.

What is your message to the new administration?

We need the arts to be 100% at the table and part of the conversation in the Executive Office of the President. That alone would be extraordinary for our country. You’d have the musicians and the poets and the artists helping to lead the way. We need structures, systems and policies in the arts that help drive healing, racial justice, economic justice, and that work to address climate change. And, we need the arts to be integrated across sector and policy areas into a more equitable and just recovery. The depth, breadth and power of the arts should be fully realized in service of a national agenda to build a better future. ♦

.....
PHILIP DELVES BROUGHTON is a Partner at Brunswick and Group Head of Content. His books, including *Ahead of the Curve*, have appeared on *The New York Times* and *The Wall Street Journal* bestseller lists. He holds a BA from Oxford University in Classics and an MBA from Harvard Business School.

SMARTIFY IS THE WORLD'S MOST DOWNLOADED museum app. From the National Gallery London and the Met, to the Louvre and the Pushkin, the free app makes art collections accessible for a global audience.

A viewer holds their phone up to a work of art as if taking a photo; the app identifies the work and displays information—whether that's text, audio or video—on screen. "Museums can't afford to build apps so we partner with them to bring their collections to life," says Anna Lowe, Smartify's co-founder.

The app launched in 2016, a time when some leading institutions enforced selfie-stick bans and prominent curators were saying that smartphones detracted from the museum experience. Yet Smartify believed the technology could be a tool for engagement rather than distraction. The team foresaw and pioneered the emergence of the "multiplatform museum" long before the pandemic shut galleries worldwide and clarified the need for a digital transformation. The app has proved a crucial source of engagement and revenue for many shuttered galleries, and a new feature in the app now helps museum visitors socially distance in their favorite spaces.

Lowe, who made Forbes' 30 Under 30 list in 2019 and is the youngest ever Tate Trustee, recently spoke to Brunswick's Fanny Guesdon.

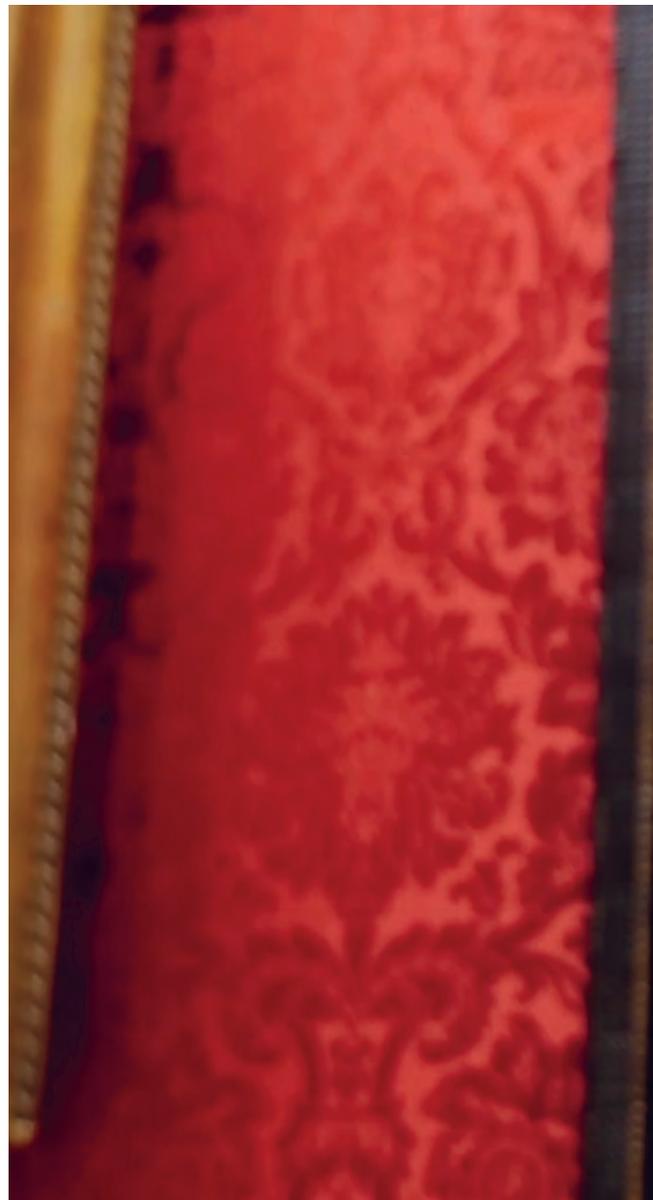
Was Smartify an idea that took shape over time, or was it the product of an "a-ha" moment?

There was definitely an a-ha moment. Back in 2015, people were using Shazam to recognize songs. Augmented reality and image recognition technology moved forward a lot. We felt that the technology would be fun and interesting for a museum audience. Not only the idea that you could use the phone's camera to identify an artwork, but also the vision to create a single platform for discovering art and culture, both in museums and at home, similar to the Netflixes and the Spotifys of the world.

Netflix and Spotify have profoundly changed our cultural habits. Are you aiming to facilitate a similar disruption?

We're a social enterprise. We wanted to be a company because it forces you to create value and to respond to your audiences, your customers and your users. We generate revenue through a tiered annual subscription that museums pay. For audiences the app is free to download. They can buy museum shop items, book online museum classes and access premium content which all goes back to the museums. We take a small processing fee on these transactions.

An app that was once rejected by almost every major museum may now help them reopen safely in an era of social distancing—and transform how they engage audiences. Brunswick Arts' **FANNY GUESDON** speaks with co-founder **ANNA LOWE**.

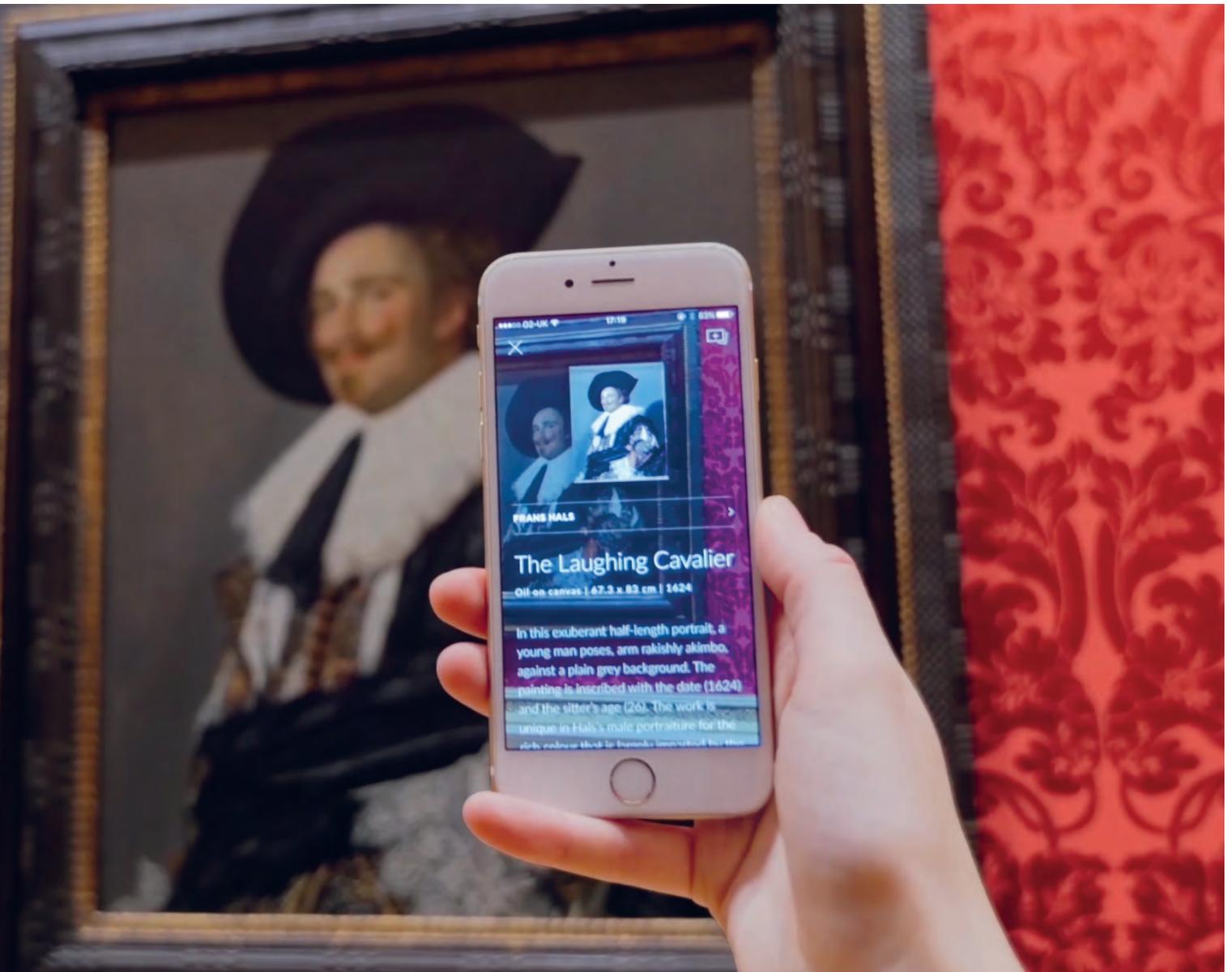


PUTTING the ART

But it's not about disruption or the winner-takes-all approach. Everything we've developed has been in partnership with museums from the very beginning. What we do has public value. It has to be simple and accessible.

Did you face any particularly biting or blunt rejections as you were getting off the ground?

We had rejections from almost every major museum at the beginning. For a lot of people, using your phone in the museum felt like a distraction. We



in SMARTPHONES

wanted to reframe the use of phones in galleries as engagement. We all have these supercomputers in our pockets; there's no reason to have clunky audio guides. You return them at the end of your visit and lose all the information you've learned.

You're now the most downloaded museum app in the world. How did you get there?

We pioneered putting the audience first. Many museums had invested huge amounts of money in amazing digital teams and strategies that focused

Museum-goers can use Smartify to instantly access background on artwork such as "The Laughing Cavalier" by Frans Hals, above.

on their collection and their website. That's not how audiences think. We were asking: "Where and when do people want this content, and how does this fit into people's lives and routines?"

The museum of the future is a multiplatform museum. People do see museums as centers for knowledge, learning and thinking about cultural objects and cultural history. A dedicated online space, which gives opportunities for real learning and real community building, could provide huge growth for museums if they put a value on digital and don't make all content available for free.

What does digital transformation mean for storytelling?

Collections can be used as a starting point for thematic storytelling and connecting objects from

different museums in new ways. There's going to be more value placed on nuanced knowledge and diverse viewpoints from outside the building, just as much as the museum curators. You can only do it with a digital label because it would take up the whole room with various labels on the wall. A lot of art historians and educators who have their own voice will monetize content separately, like journalists do.

When the pandemic hit, museums around the world shut their doors and moved online. How have Smartify and museums responded to COVID-19?

It's all at home. Before the pandemic 50% of the audience used Smartify on site, and 50% at home. There has been a huge growth in users, both in terms of time being spent on the platform and new audiences. We helped museums translate their existing audio tours into at-home experiences so they could change artworks each week and we made it a lot more engaging via desktop for our 2 million users. We've been building an e-shop to help them raise revenue and pulling all merchandise in a single place. We also published a Museum Social Distancing Toolkit in partnership with CCD wayfinding specialists to support museums as they begin to plan reopening.

"AT SOME POINT, WE'LL HAVE SMART GLASSES THAT CAN PULL AN IMAGE RECOGNITION, AND HEADPHONES TO REPLICATE THE IMMERSIVE NATURE OF BEING IN A PHYSICAL SPACE THROUGH SOUND TRIGGERS."



Have you observed a change in the mindsets of museums?

The past year has been a huge time for change, like forced R&D. Museums are really thinking about new experiences, and are willing to fail and try things, which I've not ever seen before. We've always been thinking about the before, during and after of the museum visit. How do we connect with this person again? Digital business models are the future.

What's the next frontier for Smartify? Is there any plan to incorporate technology beyond the smartphone?

The hardware part will inevitably change. At some point, we will have smart glasses that can pull an image recognition, and headphones to replicate the immersive nature of being in a physical space through sound triggers. We're always looking at new technologies and what we can do with them. But hardware is the last part of the equation.

Wikipedia is a good parallel to what we're trying to do. We work with corporate collections, hotels, private collectors, heritage sites, historic houses and social history and sciences museums.

The key thing we're doing, going back to the point about curation, is we're collecting the data about different collections and the stories that go along with them to make relevant connections between them. A curated experience by a person and based on your interests is always the best version that you can get.

Audiences expect personalization in every other cultural field now. We are also doing a project on wayfinding to improve visits.

There's a growing backlash—and fatigue—toward both social media and smartphones. Do those worry you as you think about Smartify's long-term trajectory?

We don't see ourselves falling into the bracket of social media. Digital platforms like Netflix and Spotify don't have an issue with fatigue and their content is pretty much endless. Screen fatigue is obviously real, but you can offer an experience that fits into people's routines in a meaningful way and adds value to their daily life.

We want people to engage with the history of the world through different collections across the planet. It shouldn't feel like a distraction, or, at least, it should feel like a great distraction. ♦

FANNY GUESDON, an Associate with Brunswick Arts, is based in London.



Fighter for Half the Sky

ON MARCH 7, 2020, IN THE OCTAGON IN LAS Vegas, 30-year-old mixed martial artist Zhang Weili defended her Ultimate Fighting Championship (UFC) strawweight title against former champion Joanna Jedrzejczyk. Twenty-five minutes of hard-fought action, calculated strikes, precise counters and unrelenting fearlessness, it was one of the greatest fights, male or female, in the history of mixed martial arts (MMA)—and not just according to me.

Flashback to August 2019, Zhang had just become the first Chinese fighter to win a UFC title, after annihilating the reigning champion in 42 seconds. The daughter of coalminers from China's inland, Zhang transformed herself from a gym receptionist to a world champion in a short 10 years and is now enjoying a whirlwind of success. As a boxing fanatic, I followed her epic journey with great enthusiasm and pride, in awe of not only her physical prowess but even more the strength of her mind.

Zhang's breakout victories are bringing legions of new Chinese fans to MMA, a sport that is male dominated at almost every level the world over.

Many women in China take inspiration from World Champion **ZHANG WEILI**.
By **YADAN OUYANG**.

In the span of a decade, Zhang Weili, the daughter of coalminers, went from gym receptionist to MMA world champion.

Until the American Olympic judo medalist Ronda Rousey entered UFC in 2012, the only women at the events were holding ring cards in bikinis, not fighting in the octagon with gloves. In China, it is not surprising that the image of female strength Zhang represents challenged the social mores and gender stereotypes. Many questioned her ability to find a husband in the future. On Zhihu, the Chinese equivalent of Quora, users with an ego damaged from watching her fights posted a slew of comments, all essentially asking the same question: "How big of a man do I need to be in order to beat her in a fight?"

Even though Chinese women have long played an integral role in the formal economy (partly thanks to Mao Zedong's dictum "women hold up half the sky"), cultural expectations and social norms about gender have been slow to catch up. But it is beginning to change. Last month, young internet users and some consumer brands waged a boycott of video platform Bilibili over accusations of misogynistic and sexist content. The pushback led the platform to remove the content in question and issue a statement saying it "accepts and is willing to discuss the criticism."

At a time like this, some words are worth repeating no matter how many times we've heard them. Borrowing the humble words of advice from Zhang Weili: "Girls are equal to boys. Girls can achieve what boys can. You should not be simply defined as gentle or weak, you can also be brave, hardworking, persistent and independent. Never let those 'labels' define or limit you."

In September 1995, the UN gathered here in Beijing on the northern outskirts of the city to discuss how to advance the goals of equality for all women around the world. The outcome of this meeting—besides Hillary Clinton's famous speech "Women's Rights Are Human Rights"—was the Beijing Declaration and Platform for Action, a plan considered a visionary agenda for the empowerment of women and which presented a comprehensive global policy framework and blueprint for action.

Much has been accomplished since. Yet, there are still a lot more important and critical steps to take in all corners of the world to eliminate inequality, discrimination and harassment—and to ensure that women can fully and effectively participate and lead in all areas of life. ♦

YADAN OUYANG is an Associate and Chief of Staff to Chair of China with Brunswick Group in Beijing. Formerly a journalist, her writing has appeared in *The Economist*, *The New York Times*, *The Lancet*, *Science* and elsewhere.



Lang Ping, left, won MVP of the women's volleyball tournament at the 1984 Olympics, where her team beat their US opponents to claim the gold medal.

The IRON HAMMER

AS A MILLENNIAL CHINESE WOMAN, I CONSIDER myself very lucky. I was born in the late 1980s as China reopened its economy to the world, with a few coastal cities, including my hometown, chosen for opening to international investment and trade. That carried the potential for a more prosperous and open-minded society to grow into and embrace. As an only child, my family could provide me with a joyous life and the best education. The 1980s were an age full of hope.

What I miss the most from those years was the spirit—the feeling that everything was possible, and anything could be achieved with hard work and perseverance. If you asked me to summarize it, I'd call it the women's volleyball team spirit, epitomized by Lang Ping leading China to win Olympic gold in 1984.

After decades of isolation from international sports, China returned to the Olympics that year and managed to beat the US team 3-0 on their home court in Los Angeles. It was a timely triumph

Her nickname refers to the spikes that helped earn China an Olympic gold volleyball medal. But teamwork is what defined **LANG PING'S** Olympic triumphs as player and coach, writes Brunswick's **LINJIA DAI.**

when the country was in desperate need of confidence. Their Olympic success served as a kind of proof of national success. More than an Olympic medal, it showed the international community that China was getting back in the game.

The team was led by Lang Ping. Known as the “Iron Hammer” for her powerful spikes, Lang was 12 years old when she played volleyball for the first time, and she was selected for the national team in 1978 at the age of 18. Life as a full-time volleyballer is never easy, and this was especially the case for that team given the limited resources the country was able to provide in the early 1980s, even for its very best. They trained hard day and night, with a repetitive, strict and sometimes dreadfully boring routine.

Lang Ping handled it with perseverance and optimism. By the time of the Olympics, at the age of 23, she had already grown to be a mature world-class player, known as much for her technical skill as her analytical mind. She was the spiritual team leader and won MVP of the entire tournament at the Olympics.

Lang retired as a professional player in 1986 with numerous World Championship and World Cup titles under her belt, but chose to never settle or stop challenging herself.

Chinese athletes were often assumed to have no education because they spend all their time training. She broke that stereotype. Upon retiring, she studied English at Beijing Normal University and moved to Los Angeles with just \$90 in her pocket in 1987. She managed to get a job as an assistant coach of the women's volleyball team at the University of New Mexico, beginning a whole new chapter of her life.

If the journey to win gold at the Olympics is like climbing Mount Everest, coaching players with a completely different cultural background is like climbing from Everest to the Moon. But she succeeded and led the college team to win title after title.

As a stranger to a foreign country, there were things that Lang Ping needed to adjust to. First and foremost was team culture: Beyond teaching the intensive drills she trained on, she needed to learn how to motivate American athletes and foster team spirit in a completely different context.

Nevertheless, she achieved brilliant results. She rose from assistant coach at the University of New Mexico to return to China to coach the Chinese team to win silver at the 1996 Atlanta Olympics. Then she went back to lead the US team to win a silver medal in a match against China at the Beijing Olympics in 2008. As she later said, "it was a huge deal for the US team" to have a Chinese

"THE UNITY OF PLAYERS AND OF PEOPLE CAN HELP RESOLVE MANY PROBLEMS: THIS IS WHAT WE CALL 'VOLLEYBALL SPIRIT.'"

LANG PING

After retiring as a player, Lang Ping became an international star as a coach for champion teams in the US, Turkey, Italy and China. In 2016, she led China to win gold at the Rio Olympics.

athlete become their coach. In between those years, she also coached at the Italian professional volleyball league and spent a year in Turkey. And she continues to coach now, most recently leading the Chinese national team to win gold at the 2016 Rio Olympics.

From China to Italy, the US, Turkey and back to China, she is the first person in volleyball history to win at the Olympics as both a player and a coach. She has always managed to inspire affection in her players, emphasizing the three elements of "teamwork, perseverance and daring to win despite adversity." She often reminds them: "The power of teamwork is greater than that of personal strengths. The unity of players and of people can help resolve many problems: this is what we call 'volleyball spirit.'"

Beyond her achievements as a volleyball player and coach, what makes her outstanding is her open-mindedness, international vision and courage in pursuit of her passion.

Under the current geopolitical climate, even the smallest things can easily spark conflict and inflame nationalist tempers. Lang Ping has been called both a "national hero" and "traitor" at different points in her career. But her choice to ignore such labels in the pursuit of her passion is an ongoing story that inspires me. Her "volleyball spirit" is a model for all of us. ♦

LINJIA DAI is an Associate with Brunswick, based in Shanghai. She advises foreign multinational and Chinese corporations on communications and public affairs.



PHOTOGRAPH: VISUAL CHINA GROUP VIA GETTY IMAGES

AT THE START OF 2020, TOKS DADA WAS the Classical Programme Manager at Town Hall Symphony Hall in Birmingham in England's West Midlands. But as the pandemic took hold, the theater was shuttered and cost-saving measures were put into effect, leaving him furloughed.

"That was very unsettling," he told the *Brunswick Review* in an interview in May of 2021. "I would say my life is probably 95% work. During the pandemic, to not have your work, your creative outlet, your platform, if you will, that was really difficult to deal with."

Then, George Floyd's death in the US at the hands of a police officer made international headlines. Protests shook the world. A young Black man, Toks felt it as a personal blow. "That was a low point," he said. "I still don't talk about the impact of that moment. I think 'trauma' is the only word I can use to describe what happened."

Watching a world roiling in crises, he worked to identify a new future for classical music, that part of the world he knew best.

"I began to use the time to just reflect and consider all of the ways in which the industry and my role in it might have to change. Because it was clear that the way that we were doing things before, we would not be able to sustain, post-pandemic. So I made a list. And I said, 'All this is going to have to change.'"

He started writing about his ideas in a series of blog posts and his articles captured the attention of the classical music community. By December, he had been hired in his new position, Head of Classical Music at London's Southbank Centre, a vast complex of cultural venues on the Thames that includes the Royal Festival Hall.

Dada had begun his career in classical music while studying at the Royal Welsh College of Music



For the LOVE of MUSIC



TOKS DADA,
the new Head
of Classical
Music at
London's
Southbank
Centre, talks

to *Brunswick Review's* **CARLTON WILKINSON** about social change and how the arts should respond.

& Drama. He had taken lessons in several instruments as a child, eventually settling on the viola. That instrument closely resembles the human voice in range and timbre, and frequently serves as a quiet facilitator, a central supporting bridge between the upper and lower instruments of an ensemble. While he doesn't play anymore, the choice proved both formative and symbolic.

"If I had not chosen the viola, my journey might have been totally different," he said. "That led me to the Royal Welsh College of Music & Drama. Composers in Wales didn't have the platform I thought they should have, so I ended up setting up a commissioning and producing company."

While still an undergraduate, the company he founded, Sinfonia Newydd, produced collaborative cross-artform projects combining music with visual art and dance, an experience that eventually brought him first to Birmingham and from there to his current position at Europe's largest art center. As a producer and curator, he has become a central supporting bridge for artists and audiences.

When we spoke with him, Toks was a few days away from attending the first live performance he had been to in over a year, and eager to start talking about the coming season for Southbank, where he hoped to build on the progress the multi-arts center has already made toward a more inclusive and relevant cultural experience. Our conversation ranged from the lessons learned during the pandemic to the longstanding need for systemic change—including the ways in which classical music culture regards itself, and the ways in which performers and presenters can adapt to bring that evolving tradition to a wider public.

At one point in the conversation, Dada, regarded as a changemaker by the classical music community, paused and said: "I just love classical music so much. That's ultimately what is driving all of these changes that I think that we need to make. I am absolutely in love with this art form. And I just want as many people as possible to have that same feeling."

Do you think your writing about the need for change played a role in your being hired by Southbank Centre?

I imagine it probably did. Personally, I saw the job as an opportunity to really put in place all the changes I had been talking about in my blog posts, and that I had been thinking about for many years. Some of these things I had not only been thinking about before, but I had been doing to a certain extent. However, the past year has become a real catalyst for

change. With the pandemic, we've been unable to do things the way we've done them before—so, what does a new way look like? What would it look like if we started from scratch? These were the questions that were going through my head.

You wrote, "For art to survive, we need to separate the art from the building." Is this experience going to permanently change the way we look at concert halls?

I think it has to. That blog post was from August 2020, and it was part of my thinking about whether arts venues should hibernate or adapt during the pandemic. This was a time when many venues were just shutting. There was a real tension between venues needing to do that to preserve their finances, and artists that needed to make a living and couldn't just hibernate. So that was the context.

I still completely stand by that statement, but it does take on a different meaning now. Coming out of the pandemic, I really do think that venues need to adapt their approach and think more fluidly about how they utilize their spaces. As I said in that post, we need to think outside of the box—literally, the box of the concert hall.

This approach has always been a key part of Southbank Centre's DNA. From mass youth orchestras with Dudamel and Rattle to Hannah Peel presenting cutting-edge new music in the Clore Ballroom, Bryn Terfel singing with thousands of people out on the terraces, performances in foyer spaces and in our underground Hayward Gallery car park, the innovative use of flexible civic spaces, inside and out, is undisputed.

I am proud to have come to a place where that boldness to play with space and place is so central and this thinking will continue to play a really big part in what we're doing in terms of the classical music program.

I've heard it said that Southbank Centre is seen as "London's living room," because the spaces are so welcoming and people come in and they literally camp out there for the day. They work from there and they meet friends and they socialize. Then they go to a gig, then get some food. That's truly what we want. Southbank's here for everyone. We want to think more flexibly about how we can become the living room for a greater pool of people.

Classical music is facing its own reckoning, with a lot of upheaval around the language and machinations the community uses to defend its reverence of its white European heritage. How

does classical music make itself relevant in the face of current social pressures like Black Lives Matter, #MeToo and wealth inequality?

We need to look at what we do through the lens of the people that we're trying to serve. I think there are some people for whom the definition of classical music is very narrow, and anything outside of that narrow construct is very difficult for them to deal with. They think we can just kind of tinker around the edges—change some really small thing here or there—but ultimately not really change what we do very much. That is not going to cut it. Very often we almost hide behind monolithic ways of working, as a way of not needing to implement change.

I try to approach it like this: Over here is the utopian future; and this is where we are right now. These are all the things currently stopping us from getting to that utopian future. Make a list. And then just go down the list: What's each solution?

Some critical discussions see a vocabulary that defends white privilege in classical music. One of the terms mentioned is "canon."

Yes, for instance: "We can't possibly program any work by composers from an ethnically diverse background, because the classical music canon looks like *this*." That is a typical example of a classical music organization just leaning back on what they've always done as an excuse to say, "we can't change."

I think this is why Chineke! [Europe's first orchestra of majority Black, Asian and ethnically diverse musicians, directed by Chi-chi Nwanoku], has done so well. That group is one of Southbank Centre's Associate Orchestras. Chineke!'s response would be, "Right, we can no longer rely on the canon. Let's become historians and do the research to unearth all of those composers that have been forgotten or just not received appropriate recognition." Chi-chi and I helped to do exactly that when we worked together as advisors on an Arts and Humanities Research Council and BBC Radio 3 project.

And then, let's also do the work and find the next generation of composers. Indeed, when conceiving the digital program *Inside Out* last Autumn, Southbank Centre was intentional in its programming and foregrounding composers of color; over 18 of the total 53 pieces of music were by composers of color, many of whom received world and UK premieres in the process, including composer James B. Wilson and writer Yomi Sode's Centre-commissioned piece *Remnants* which was a powerful and visceral response to the Black Lives Matter movement here in the UK.

"THERE ARE SOME PEOPLE FOR WHOM THE DEFINITION OF CLASSICAL MUSIC IS VERY NARROW, AND ANYTHING OUTSIDE OF THAT NARROW CONSTRUCT IS VERY DIFFICULT FOR THEM TO DEAL WITH."

We have to follow up on our observations with action. Otherwise we're just talking.

Returning to the concert hall after more than a year's absence is thrilling in itself, but what are you most excited about in the coming season?

I will be there at the Southbank Centre on the night we reopen with I think 749 other people back in the Royal Festival Hall. It will be the most amazing thing, just to hear live music again. It's when one is almost starved or has to do without that we really miss it and value it.

We have a big reopening summer program, titled *Reunion*. It will be a moment to reunite with friends and to come together. Artists that haven't performed together for a long time will similarly reunite. For many people it's not a celebration, because it's been a very painful time. But it's a reunion.

I'm really excited about the autumn too. We are making immediate changes to how we present classical music. We're launching new strands of work, taking the approach of putting the audience first. One of the things I'm really big on is exploring partnerships with creative companies outside of the orchestral sector. We cannot just keep looking inwards.

We're also evolving how we announce what we present. One of the pre-pandemic ways of working has been to announce up to 10 months of activity all at the same time. How can we be responsive to wider society if we're just setting in stone what we're doing for the next year or year and a half? How can we talk about classical music in a way that is more relevant to people's everyday lives in the 21st century?

We will also mirror the way artists are now working as well. Artists are not necessarily working within specific strands or labels anymore. We need to present classical music in a way that enables greater flexibility.

One of the new strands of work is for families. If you have a family, what do we have to offer you? A 7:30 p.m. weekday concert in two halves and a very set format of overture, concerto, interval, symphony... How does that work in the context of your everyday life? So instead, maybe once a month, we have a weekend day where you can come with your kids and immerse them in classical music. This all sounds very basic, but it is literally a case of going down the list of the things that don't work for the people you are trying to serve and creating solutions.

You're also a guest curator at Wonderfeel 2021.

Can you tell me about that?

It's a three-day summer festival outdoors in an

area of the Netherlands that's set aside as a natural monument. Audiences come and experience great music for three days. I think this year, it is an opportunity that people are crying out for. Unfortunately, it has to be scaled back. Due to COVID restrictions, the capacity and the number of stages is reduced. My full guest curatorship won't take place now until 2022, however I'm really looking forward to bringing the most forward-thinking UK artists to Dutch audiences.

Is there something businesses could be doing that they're not doing now to support venues like Southbank Centre?

I really wish for there to be greater collaboration between arts organizations and creative commercial organizations—technology, fashion, food and beverage. I think this collaborative approach will be the key to the classical music industry's attempts to open up, to serve those audiences who haven't been served. Many businesses really understand how to position themselves within people's everyday lives and that's a really important part of how classical music can reposition itself for new audiences.

In the US, music organizations often point to the decline of music education. Is that a problem in the UK as well?

Yes. The decline in music provision within schools in the UK is problematic. The onus will more and more be on organizations like Southbank Centre to address that need. The value of large organizations like ours needs to be in solving some of these big problems. The question for me is how can we continue to support the curriculum through learning and participation. I can tell you, if it wasn't for early opportunities that existed in East Manchester when I was a teenager, when music provision in schools was much healthier than it is now, we would not be having this conversation. It's because of those centers that I got the start that I did.

How does digital media fit in?

I think now is the time to invest in digital, even though we're returning to live performance. Just the ability to be responsive—what's the possibility of another life-changing event similarly bringing the arts to a complete standstill?

And there might be people that, for whatever reason, still cannot or don't have the means to enter the concert hall. So maintaining the audiences we have, attracting new audiences—those are worthwhile reasons for making the investment. But there's also



The Chineke! ensemble performed in May at the reopening of the Royal Albert Hall at Southbank Centre, in a program titled "Reunion."

"THE CHILDREN TODAY ARE GROWING UP WITH A SCREEN IN THEIR HANDS. WHAT WILL CLASSICAL MUSIC LOOK LIKE THROUGH THAT LENS?"

CARLTON WILKINSON is the Managing Editor of the *Brunswick Review*. He holds a Ph.D. in Music and was an award-winning columnist on music for *TheStreet* and the *Asbury Park Press*.

a third reason: creating exciting new experiences. That's why we're here. That's why the arts exist. With all of these advancements—augmented reality, for instance—we can create a completely different kind of experience. We spoke of looking through the lens of the people we hope to serve: the children today are growing up with a screen in their hands. What will classical music look like through that lens?

I am yet to see an arts organization where digital is positioned with the equivalent of my team, in programming or artistic planning. I think there is value to it sitting in marketing or education, but it also needs to be in programming. We need to utilize digital as more than just a streaming mechanism.

Anything else you want to share about the future of classical music?

I'm really, really, really hopeful for the sector post-pandemic. But I'm also really nervous—about the appetite for change and the inconsistency of the appetite for change throughout the sector.

Music has the power to break down barriers between people, communities and society. It has the potential to transcend barriers in every single type of division in society that you can think of. Why would we not let it? My worry is that in 500 years' time, classical music will just be something that people read about in history books. That's a genuine concern.

We spoke about people who view classical music as a very specific thing: the reason they hold on to that, cling to it with their fingertips and resist change, is because they want to really preserve classical music. I'm actually saying the same thing, but from the other side of the argument. The only way we will preserve classical music is if we don't become too wedded to this very specific construct. By resisting change to the tradition, we actually run the risk of not preserving it at all. ♦

IN HIS EIGHT YEARS WRITING FOR THE WHITE House, Cody Keenan worked on 3,577 speeches—an average of more than one per day—including multiple State of the Union addresses for President Obama. Keenan’s writing ability, coupled with his beard, earned him a nickname from the President: “Hemingway.”

Today Keenan is a Partner at Fenway Strategies, a speechwriting and communications firm that has a rule about taking on new clients: They only craft speeches for leaders with whom they can speak directly.

“I’ve seen a lot of speechwriter-speaker relationships where they’re layered in the middle by a chief of staff or a communications director or comms team and every draft gets filtered,” says Keenan. “It’s a bad cycle because the speechwriter feels like they’ve never gotten a chance to actually put down what the speaker wants, and the speaker feels like they’re not heard. If you’re going to hire a speechwriter to help you get your story or message out there, spend time with that person. The best speechwriting relationships are collaborative, and the best speeches come from a collaborative effort.”

Keenan, who also teaches a course on speechwriting at his alma mater, Northwestern University, spoke with Brunswick’s Emily Wang, a recent Northwestern alumnus. He explained why President Obama was the “chief speechwriter” in the White House, and what goes into drafting and delivering a great speech.

“It should tell a good story,” he said. “That applies to presidents, priests giving a sermon, CEOs, academics—it doesn’t matter where your speech is, it should have a beginning, a middle, and an end.”

How did you get into speechwriting? Is it a career you envisioned while in college?

It was not something I ever even dreamed of doing. I think I’ve only met one speechwriter who always knew he wanted to be a speechwriter. The rest of the Obama team just fell into it.

After I left Northwestern, I went and worked in the Senate for four years for Ted Kennedy, starting as an unpaid mailroom intern. I answered phones. I was an assistant. Then I had my own little policy legislative portfolio because he was the ranking member at the time on the Health, Education, Labor, and Pension Committee. That’s when I got to start writing for the first time. He didn’t have a speechwriter, so someone called me up and said, “Hey, the Senator’s got two minutes tomorrow at 10 a.m. You need to write some remarks.”



OVAL OFFICE

CODY KEENAN, President Obama’s former chief speechwriter, says navigating corporate communications teams can be more challenging than working in the White House.

The first time I watched Senator Kennedy on C-SPAN read something I’d written, all the hairs stood up on the back of my neck.

There were a few short pieces I wrote that my boss liked, so whenever the Senator had to give a larger speech, they asked me if I could take a cut at the entire thing. In retrospect, knowing what I know now, they’re not good speeches because I didn’t know what I was doing.

“The most important thing about speechwriting is to have a collaborative relationship with the person who’s speaking,” says Keenan, above, far left.



policy addresses. So Jon needed help, and he hired me as his intern.

That was my first speechwriting job, which I then held for 14 years.

Your first job in politics—and I assume this is true for every industry—if you work hard, if you are open to learning and if you are kind to people, there are opportunities and avenues for growth. You can get pulled upwards by someone who recognizes themselves in you or your talent and ability and takes you to the next step. There are infinite ways to become a speechwriter, and they often strike when you're not paying attention, or you don't know to look for them.

One reason I pitched a class to Northwestern was that when I graduated, while I had this degree in political science from a great university, it didn't help me when I needed to find a job. What separates you is what you can do. So I teach my students how to write speeches. It's not theoretical. I don't go through the history of political rhetoric. I teach them exactly how to write a speech so that when they're done with the class they have this portfolio of 10 speeches they can show somebody. I've placed some of my better students in the governor's office, mayors' offices, presidential campaigns. And it works.

What's the central idea you try to convey to students?

The central belief is something that's bigger than speechwriting: It's worth their time to get involved in politics and public service, even though it's

HEMINGWAY

I went to get a master's in public policy from Harvard because I wanted to come back to the Senate and keep working for Senator Kennedy. But while I was there, the Obama campaign came calling. It was a mutual friend that Jon Favreau and I shared, and Jon was Obama's first speechwriter in the Senate. The campaign had just started, and Obama was suddenly going from maybe giving a short speech or two a week to four speeches a day in Iowa, and then big

frustrating and slow-moving. I try to convince them to get into it and change it for the better. That's the single biggest lesson.

When it comes to speechwriting, the actual content of the course, it's just to write simply, powerfully, colloquially. Great speechwriting is a collaborative relationship between a speechwriter and the speaker. People are always asking for authenticity like it's some magical formula, but there's not really any

alchemy to it. It's just whether or not you're willing to be yourself.

There are so many people in politics who are not. And people can tell. Americans have pretty sophisticated bullshit detectors these days, especially young people. I try to show students that the speeches most people gravitate to are the ones that talk to us on a human level, that connect emotionally, that don't try to be too lofty, and that just speak on the level of the people where they are.

We appreciate that as humans. A great speech can just tell people what we already know but we don't hear enough from people in power. A speech is really something special when the writer and the speaker collaborate well and are just honest with people.

When you talk about authenticity, the speech President Obama delivered on the 50th anniversary of the Selma marches comes to mind. How did you draft it? How much input did you receive from the President?

That was one of his better speeches because I think most importantly, he knew what he wanted to say. It was our best collaboration on a speech, one of the rare ones where every draft we passed back and forth was better than the last. We made each other better.

He always leads the process. He's always been our chief speechwriter, and that's one reason why he's so good at it, or why his speeches will be remembered, because he cared and he worked on them and it showed. He never just walked up to a lectern and read something for the first time. The most important thing about speechwriting is to have a collaborative relationship with the person who's speaking.

On this one, we pulled together not just historical context but what's actually happening today, what would make this speech relevant to people who were listening right now, especially young people. That's who we were going for. So once I sketched out a first draft based on that input, handed it to him, he worked on it, handed it back. We did that five times.

We were aided by the fact that two days before the speech, it snowed just enough to shut down the federal government. President Obama still goes to work, but most of his meetings got pulled. I was not going to miss that opportunity to steal a bunch of his time, and it's something he would want his time stolen for.

I think I spent probably a couple hours in the Oval that day, just going over drafts of the speech and talking through them. Without that snow day, without the benefit of us being able to work together and pass, we probably would've gone through two or three drafts. Instead, we got to do five.

“ONE OF THE THINGS WE TRY TO DO IS HUMANIZE THE PEOPLE FOR WHOM WE WRITE, ESPECIALLY THE ONES WHO SAY, ‘CAN YOU MAKE ME SOUND LIKE OBAMA?’ I CAN’T MAKE YOU SOUND LIKE OBAMA, AND YOU SHOULDN’T WANT TO.”

Now, not everyone's like President Obama, who actually gets the pen out and really works on it and wants to have full editorial control. There are plenty of speakers, probably most, who will want to look at a draft or two, but basically, “Just get it to a place where I can go read it.”

He never wanted it to be that way. He used a teleprompter because by the time he's ready to speak, every single word in the speech is exactly where he wants it. It's there for a reason. If we've had enough time, it's down to the syllable. Sometimes he'd say, “This sentence needs an extra syllable or one less,” because there's a rhythm to it, too.

The argument he wanted to make in that speech was to young people about what it means to be an American, what America itself means, and who gets to decide. He was honoring the 50th anniversary of the marches from Selma to Montgomery, but more importantly, what happened there: This group of almost entirely Black, mostly young people decided to march for the right to vote—not special treatment, just the equal treatment they were promised under the Constitution. To honor the fact that there was this group of young people willing to die for their fundamental human right—an American right—and then 50 years later you have a Black president is pretty extraordinary.

President Obama could've spoke on that alone just to mark the occasion. But one of the most important things in our profession is an audience. A captive audience is a terrible thing to waste, whether it's the audience in front of you or watching on TV. Around the world you've got people watching. So he wanted to make this argument in light of the nascent Black Lives Matter movement that was crackling with energy after Ferguson, Trayvon Martin and Tamir Rice.

The country wasn't fully paying attention to it, and the President just wanted to make sense of it all with this argument that America is what happened on this bridge. Selma is as important to American history as Kitty Hawk and Cape Canaveral and Lexington and Concord and Appomattox—that this is a place where even people without power or privilege can change their country's course.

How different is it writing for business leaders? In making that switch, did you have to learn any new skills?

I didn't have to learn any new skills. Good speechwriting is good speechwriting. To step back a little bit, good speechwriting is just storytelling.

“Storytelling” is a word that's now becoming

cliché, but when President Obama and I and our team of speechwriters would sit down before any speech, the first question he'd ask is, "What's the story we're trying to tell?" Because every speech should have a good story: a beginning, a middle, and an end. That applies to presidents, priests giving a sermon, CEOs, academics. It doesn't matter where your speech is, it should tell a good story from beginning to end.

The corporate world is a little bit different. The audience is always a little bit different, whether you're trying to sell a product or smooth over a failure, or just buck up your employees in a time of COVID-19.

One thing that's more of a challenge than working in the White House is working with corporate communications teams, who can often be even more risk-averse than politicians. I was surprised to discover that. The great collaborations we have are ones with communications teams that are willing to take risks, who are willing to bare a little more of themselves and talk colloquially with people.

There's no such thing anymore as a private audience. Everyone's got a camera that can broadcast live on the internet. You should assume that whatever you say is going to show up on the front page of *The New York Times* tomorrow. So when I say take risks, I often just mean be yourself. Talk like a human. Ditch the jargon. You don't have to say certain things.

And the reason I emphasize "have to" is that there are a lot of times we'll be working with a company and some of their team and they'll say, "He has to say this. She has to say that." No, you don't. If it makes sense in the speech, sure. But don't hide things.

One of the things we try to do is humanize the people for whom we write, especially the ones who say, "Can you make me authentic?" or, "Can you make me sound like Obama?" I can't make you sound like Obama, and you shouldn't want to. You should want to sound like yourself, so that other people say, "Can you make me sound like, you know, X CEO?"

We can make you sound authentic, but there's a lot of work you have to do there too to actually come across that way.

Corporate activism seems to be on the rise—are you seeing that in the leaders you write for?

Some of the most exciting business we've had over the last year comes from both companies and political figures who want to get out there and say these things.

We were often rewarded when we took risks in the White House. There would be endless political

"STORYTELLING IS A WORD THAT'S NOW BECOMING CLICHÉ, BUT WHEN PRESIDENT OBAMA AND I AND OUR TEAM OF SPEECHWRITERS WOULD SIT DOWN BEFORE ANY SPEECH, THE FIRST QUESTION HE'D ASK IS, 'WHAT'S THE STORY WE'RE TRYING TO TELL?'"

EMILY WANG is an Executive in Brunswick's New York office.

meetings where people would agonize over, "Can we say this? Can we say that? What's going to happen if we do?" Usually the American people are pretty stoked to hear someone say what we all already know and believe.

Most hot-button issues are not as hot-button as you think. Climate change really isn't that divisive an issue anymore. Coming out and saying that police shouldn't be able to kill somebody on the street isn't really as divisive as people think. As long as corporate leaders actually want to say this, we want to work with them and help—do it in a way that not only gets them out there on the right side of an issue but positions them for more growth and success.

Comms teams, to their credit, are always really nervous. People are looking for not necessarily corporate activism, but corporations that care. People want to buy products from people that are doing the right thing and doing it well.

It's rare that you have an opportunity to say the right thing and do better at business, but there's plenty of those opportunities right now.

What's your advice for companies looking to improve the caliber of their speeches?

Speechwriting works better when the speaker cares. That's not to shift the onus from what we do for a living, but we don't work with clients unless we actually get to speak with the person who's going to be speaking.

I'll add too, that speechwriting, like a lot of professions, is overwhelmingly white and male. At Fenway we're trying to change that. At the White House we tried to change that and we didn't get as far as we wanted to. For a year or two in the White House we had a team that was half female. We were the first White House speechwriting team ever to have more than one woman. We had four.

At Fenway we make this core to our values—we're 50% women right now and we're trying to add writers of color all the time. The reason isn't just to check boxes or to say that we're diverse, but because having a diversity of life experience on your team will make speeches better.

People asked all the time, "What's it like to write for the first Black president?" It's a challenge because I haven't lived the experiences he has.

But you can say that about any speech. We would write speeches for veterans or active-duty military, and we hadn't served. We would write speeches for LGBT audiences and I'm a straight white male. But to have people on your team who've lived those experiences will make the speech better. ♦

Critical moment

20 YEAR ANNIVERSARY
SEPTEMBER 11, 2001

A Twin Towers artifact rests on the banks of the Hudson across from Manhattan's One World Trade Center.



Brunswick Group OFFICES**ABU DHABI**

Office 506
Park Rotana Office Complex
TwoFour54
PO Box 77800
Abu Dhabi
United Arab Emirates
T: +971 2 245 1400
uaeoffice@brunswickgroup.com

BEIJING

2605 Twin Towers (East)
B12 Jianguomenwai Avenue
Beijing, 100022
People's Republic of China
T: +86 10 5960 8600
beijingoffice@brunswickgroup.com

BERLIN

Friedrichstraße 95
10117 Berlin
Germany
T: +49 30 2067 3360
berlinoffice@brunswickgroup.com

BRUSSELS

Avenue des Arts 27
1040 Brussels
Belgium
T: +32 2 235 6510
brusselsoffice@brunswickgroup.com

CHICAGO

300 North LaSalle Street
Suite 2260
Chicago, IL 60654
USA
T: +1 312 800 8120
chicagooffice@brunswickgroup.com

DALLAS

200 Crescent Court
Suite 1850
Dallas, TX 75201
USA
T: +1 214 254 3790
dallasoffice@brunswickgroup.com

DUBAI

Level 5, Gate Village
Building 10
PO Box 506691
Dubai International
Financial Centre
Dubai
United Arab Emirates
T: +971 4 560 9600
uaeoffice@brunswickgroup.com

FRANKFURT

Thurn-und-Taxis-Platz 6
60313 Frankfurt am Main
Germany
T: +49 69 2400 5510
frankfurtoffice@brunswickgroup.com

HONG KONG

12/F Dina House
11 Duddell Street, Central
Hong Kong SAR
T: +852 3512 5000
hongkongoffice@brunswickgroup.com

JOHANNESBURG

Rosebank Link
173 Oxford Road
6th Floor
Rosebank
Johannesburg
South Africa
T: +27 11 502 7300
johannesburgoffice@brunswickgroup.co.za

LISBON

Portugal
T: +44 78 8959 1836
portugal@brunswickgroup.com

LONDON

16 Lincoln's Inn Fields
London WC2A 3ED
United Kingdom
T: +44 20 7404 5959
londonoffice@brunswickgroup.com

MADRID

Spain
T: +44 20 7404 5959
spain@brunswickgroup.com

MILAN

Via Solferino, 7
20121 Milan
Italy
T: +39 02 9288 6200
milanoffice@brunswickgroup.com

MUMBAI

The Capital
814, 8th Floor
C-70, G Block, Bandra Kurla Complex
Bandra East
Mumbai 400 051
India
T: +91 22 61358500
mumbaioffice@brunswickgroup.com

MUNICH

Widenmayerstraße 16
80538 Munich
Germany
T: +49 89 809 90 250
munichoffice@brunswickgroup.com

NEW YORK

245 Park Avenue
14th Floor
New York, NY 10167
USA
T: +1 212 333 3810
newyorkoffice@brunswickgroup.com

PARIS

69 Boulevard Haussmann
75008 Paris
France
T: +33 1 53 96 83 83
parisoffice@brunswickgroup.com

SAN FRANCISCO

One Bush Street
Suite 1400
San Francisco, CA 94104
USA
T: +1 415 671 7676
sanfranciscooffice@brunswickgroup.com

SÃO PAULO

Avenida Dr. Cardoso de Melo
1.340 - Sala 102
Vila Olímpia
São Paulo SP
Brazil 04548-004
T: +55 11 3076 7620
saopauloffice@brunswickgroup.com

SHANGHAI

Room 2907
United Plaza
1468 Nan Jing Road West
Jing'an District
Shanghai 200040
People's Republic of China
T: +86 21 6039 6388
shanghaioffice@brunswickgroup.com

SINGAPORE

One Raffles Place
#14-61 Tower 2
Singapore
048616
T: +65 6426 8188
singaporeoffice@brunswickgroup.com

STOCKHOLM

Fourth Floor
Birger Jarlsgatan 15
111 45 Stockholm
Sweden
T: +46 8 410 32 180
stockholmoffice@brunswickgroup.com

SYDNEY

Australia
australia@brunswickgroup.com
T: +61 474 551 604

TOKYO

7/F Marunouchi 2-chome Building
2-5-1
Marunouchi
Chiyoda-ku
Tokyo
100-0005
Japan
tokyooffice@brunswickgroup.com

VIENNA

Schottenring 14
1010 Vienna
Austria
T: +43 1 907 65 10
viennaoffice@brunswickgroup.com

WASHINGTON, DC

600 Massachusetts Avenue, NW
Suite 350
Washington, DC 20001
USA
T: +1 202 393 7337
washingtonoffice@brunswickgroup.com

Brunswick Group COMPANIES**BRUNSWICK ARTS**

16 Lincoln's Inn Fields
London WC2A 3ED
United Kingdom
T: +44 20 7404 5959
brunswickarts@brunswickgroup.com
www.brunswickarts.com

MERCHANTCANTOS

16 Lincoln's Inn Fields
London WC2A 3ED
United Kingdom
T: +44 20 7242 1336
office@merchantcantos.com
www.merchantcantos.com

THE LINCOLN CENTRE

18 Lincoln's Inn Fields
London WC2A 3ED
United Kingdom
T: +44 20 7936 1300
info@thelincolncentre.co.uk
www.thelincolncentre.co.uk

BRUNSWICK GROUP LLP

www.brunswickgroup.com/review